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DELTA REPORT

10-K

FREEDOM ACQUISITION I COR

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	6511
CHANGES	11
DELETIONS	2975
ADDITIONS	3525

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

FORM 10-K
(Mark One)
Washington, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2022
ORDecember 31, 2023.

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 File Number 001-40117

FREEDOM ACQUISITION I CORP.COMPLETE SOLARIA, INC.
(Exact Name name of Registrant registrant as Specified specified in Its Charter)its charter)

Cayman Islands Delaware	**N/A93-2279786**
(State or Other Jurisdiction other jurisdiction of Incorporation incorporation or Organization) organization)	(I.R.S. Employer Identification Number) No.)
45700 Northport Loop East, Fremont, California	**94538**
(Address of principal executive offices)	(Zip Code)

14 Wall Street, 20th Floor
New York, New York
10005
(Address of Principal Executive Offices)

1 212-618-1798
(Registrant's telephone number, including area code)code: **(510) 270-2507**
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class each class	**Trading Symbol(s)symbol**	**Name of Each Exchange each exchange on Which Registered which registered**
Class A ordinary shares, Common stock, par value $0.0001 per share	FACT CSLR	The New York Stock Exchange Nasdaq Global Market
Redeemable warrants, Warrants, each whole warrant exercisable for one Class A ordinary share of Common Stock at an exercise price of $11.50 per share	FACT WS CSLRW	The New York Stock Exchange
Units, each consisting of one Class A ordinary share and one-fourth of one redeemable warrant	FACT.U	The New York Stock Exchange Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒
Indicate by check mark whether the Registrant registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant registrant was required to file such reports), and and (2) has been subject to such filing requirements for the past 90 days. days. Yes ☒ No ☐
Indicate by check mark whether the Registrant registrant has submitted electronically every Interactive Data File interactive data file required to be submitted pursuant 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 registrant was required to submit such files). Yes ☒ No ☐
Indicate by check mark whether the Registrant registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting 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 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. U.S.C 7262(b)) by the registered public accounting firm that prepared or issued its

audit report. ☐
If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐
Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐
Indicate by check mark whether the Registrant registrant is a shell company (as defined in Rule 12b-2 of the the Exchange Act). Yes ☒ ☐ No ☐☒
The aggregate market value of the Registrant's registrant's voting and non-voting common equity stock held by non-affiliates computed by reference to of registrant on June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $210,225,910, based upon the closing sales sale price for of the Class A ordinary registrant's shares on June 30, 2022, of common stock of $10.60 as reported on the New York Stock Exchange, was $339,256,450. The Nasdaq Global Market. Shares of common stock held by each officer and director have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not a conclusive determination for other purposes.
As of December 31, 2022 March 26, 2024, 34,500,000 Class A ordinary 49,096,535 shares par value $0.0001 per share, and 8,625,000 Class B ordinary shares, of common stock, par value $0.0001 per share, were issued and outstanding, respectively.outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None

None.

FREEDOM ACQUISITION I CORP.
ANNUAL REPORT ON FORM 10-KCOMPLETE SOLARIA, INC. AND SUBSIDIARIES

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CERTAIN TERMSSPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Unless otherwise stated Certain statements in this Annual Report on Form 10-K (this "Annual Report"), references to:

"we," "us," "our," "company," "our company," or "Freedom" are to Freedom Acquisition I Corp., a Cayman Islands exempted company;

"amended and restated memorandum and articles of association" are to our Amended and Restated Memorandum and Articles of Association;

"Class A ordinary shares" are to our Class A ordinary shares, par value $0.0001 per share;

"Class B ordinary shares" are to our Class B ordinary shares, par value $0.0001 per share;

"Companies Act" are to the Companies Act (As Revised) of the Cayman Islands as the same may be amended from time to time;

"directors" are to our current directors;

"founder shares" are to our Class B ordinary shares initially purchased by our sponsor in a private placement prior to our initial public offering and our Class A ordinary shares that will be issued upon the automatic conversion of the Class B ordinary shares at the time of our initial business combination;

"Freedom Acquisition LLC" are to a member of our sponsor, Freedom Acquisition LLC, a Cayman Islands limited liability company that is owned by Tidjane Thiam, our Executive Chairman, Abhishek Bhatia, a board observer, and Adam Gishen, our Chief Executive Officer;

"initial shareholders" are to holders of our founder shares prior to our initial public offering;

"management" or our "management team" are to our officers and directors;

"NextG" are to NextG Tech Limited, a Cayman Islands exempted company, which is a member of our sponsor and is affiliated with Edward Zeng, one of our directors;

"ordinary shares" are to our Class A ordinary shares and our Class B ordinary shares;

"private placement warrants" are to the warrants issued to our sponsor in a private placement simultaneously with the closing of our initial public offering;

"public shares" are to our Class A ordinary shares sold as part of the units in our initial public offering (whether they were purchased in our initial public offering or thereafter in the open market);

"public shareholders" are to the holders of our public shares, including our initial shareholders and management team to the extent our initial shareholders and/or members of our management team purchase public shares, provided that each initial shareholder's and member of our management team's status as a "public shareholder" shall only exist with respect to such public shares;

"public warrants" are to the warrants sold as part of the units in our initial public offering (whether they were purchased in our initial public offering or thereafter in the open market);

"sponsor" are to Freedom Acquisition I LLC, a Cayman Islands limited liability company;

"warrants" are to our public warrants and private placement warrants; and

"$," "US$" and "U.S. dollar" each refer to the United States dollar.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISK FACTOR SUMMARY

Some of the statements contained in this Annual Report may constitute "forward-looking statements," statements" for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or 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," "intend," "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 Annual Report may include, for example, statements about:

- risks associated with our proposed business combination with Complete Solaria;
- our ability to select an appropriate target business or businesses; recognize the anticipated benefits of the Business Combination (as defined below), which may be affected by, among other things, competition and our ability to grow and manage growth profitably following the closing of the Business Combination;
- our financial and business performance following the Business Combination, including financial projections and business metrics;
- changes in our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects and plans;
- our ability to complete meet the expectations of new and current customers, and our initial business combination; ability to achieve market acceptance for our products;
- our expectations around the performance of the prospective target business or businesses; and forecasts with respect to market opportunity and market growth;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors following our initial business combination;
- our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business or in approving our initial business combination;
- our potential ability to obtain additional financing to complete our initial business combination;
- our pool of prospective target businesses;
- the ability of our officers products and directors services to generate a number of potential business combination opportunities; meet customers' compliance and regulatory needs;
- the material weakness in our internal control over financial reporting;
- our public securities' liquidity ability to attract and trading; retain qualified employees and management;
- the use of proceeds not held in the trust account or available to us from interest income on the trust account balance;
- the trust account not being subject to claims of third parties; or
- our financial performance. ability to develop and maintain its brand and reputation;
- 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;
- our future capital requirements and sources and uses of cash;
- our ability to obtain funding for its operations and future growth; 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K. 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 our current expectations and beliefs concerning future developments and their potential effects information available to us as of the date of this Annual Report on us. There can Form 10-K. While we believe that information provides a reasonable basis for these statements, that information may be no assurance that future developments affecting us will limited or incomplete. Our statements should not be those read to indicate that we have anticipated. 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 involve a number in this Annual Report on Form 10-K relate only to events as of risks, uncertainties (some of which the date the statements are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in "Item 1A.-Risk Factors." Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. made. We undertake no obligation to update or revise any forward-looking statements whether as a result made in this Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K or to reflect new information future or the occurrence of unanticipated events, or otherwise, except as required by law. We may be required under applicable securities laws. 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.

SUMMARY RISK FACTORS

- Our management has identified conditions that raise substantial doubt about our ability to continue as a going concern.
- Our business depends in part on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits or incentives or the ability to monetize them could adversely impact the business.
- Existing regulations and policies and changes to these regulations and policies may present technical, regulatory, and economic barriers to the purchase and use of solar power products, which may significantly reduce demand for our products and services.
- Risks associated with a highly complex global supply chain, including from disruptions, delays, trade tensions, or shortages.
- We rely on net metering and related policies to offer competitive pricing to customers in many of our current markets and changes to net metering policies may significantly reduce demand for electricity from residential solar energy systems.
- We utilize a limited number of suppliers of solar panels and other system components to adequately meet anticipated demand for our solar service offerings. Any shortage, delay or component price change from these suppliers or delays and price increases associated with the product transport logistics could result in sales and installation delays, cancellations, and loss of market share.
- We provide warranties for solar system installations, solar panels, and other system components that may negatively impact overall profitability.
- We utilize third-party sales and installation partners whose performance could result in sales and installation delays, cancellations, and loss of market share.
- Risks associated with solar system installation and connection delays, including the potential for recoupment or clawback of payments by financing partners.
- Due to the general economic environment and any market pressure that would drive down the average selling prices of solar power products, among other factors, we may be unable to generate sufficient cash flows or obtain access to external financing necessary to fund operations and make adequate capital investments as planned.
- Our business substantially focuses on solar service agreements and transactions with residential customers.
- We have incurred losses and may be unable to achieve or sustain profitability in the future.
- Our business is concentrated in certain markets, including California, putting us at risk of region-specific disruptions.
- We depend on a limited number of customers and sales contracts for a significant portion of revenues, and the loss of any customer or cancellation of any contract may cause significant fluctuations or declines in revenues.
- We have identified a material weakness in our internal controls over financial reporting. If we cannot maintain effective internal controls over financial reporting and disclosure controls and procedures, the accuracy and timeliness of our financial and operating reporting may be adversely affected, and confidence in our operations and disclosures may be lost.

PART I

ITEM 1. BUSINESS

Our Mission

Summary of Risk Factors Our mission is to deliver energy-efficient solutions to homeowners and small to medium-sized businesses that allow them to lower their energy bills while reducing their carbon footprint. Complete Solaria, Inc., or Complete Solaria, has created a unique, end-to-end offering that delivers a best-in-class customer experience with a robust technology platform, financing solutions, and high-performance solar modules.

Business Overview

Complete Solaria was formed in November 2022 through the merger of Complete Solar Holding Corporation, a Delaware corporation ("Complete Solar"),and The Solaria Corporation, a Delaware corporation (such entity, "Solaria," and such transaction, the "Business Combination"). Complete Solaria 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. We fulfill our customer contracts 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 HelioTrackTM software system.

Complete Solaria provides residential solar system designs, proposals, and CAD drawing sets to existing sales partners and other residential solar companies, regardless of whether they participate as or builder partners. In doing so, Complete Solaria seeks to power the entire solar power industry.

In October 2023, we sold solar panel assets of The Solaria Corporation, including intellectual property and customer contracts to Maxeon Solar Technologies, Ltd. ("Maxeon"), pursuant to the terms of an asset purchase agreement (the "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.

Revenue Model

Our current products fall into two general categories: Solar System Sales and Software Enhanced Services.

- Solar System Sales: Complete Solaria sells solar systems to homeowners and small to medium-sized commercial customers through third-party sales partners. Complete Solaria manages every aspect of project management for those contracts before ultimately contracting with builder partners to complete the construction of the solar systems. This residential solar platform provides homeowners with simple pricing for solar energy that provides significant savings to traditional utility energy. Homeowners can choose from a wide array of system features and financing options that best meet their needs. By delivering the best-matched products and a best-in-class customer experience, Complete Solaria establishes valuable customer relationships that can extend beyond the initial solar energy system purchase and provides Complete Solaria with opportunities to offer additional products and services in the future.
- Software Enhanced Services: The HelioQuoteTM software system is provided to existing sales partners and other participants in the solar industry and powers our sales of residential solar designs, proposals, and engineering services.

Technology Innovation

Since its inception, Complete Solaria has continued to invest in a platform of services and tools to enable large-scale operations for sales and builder partners. The platform incorporates processes and software solutions that simplify and streamline design, proposals, and project management throughout the lifecycle of a residential solar project. The platform empowers new market entrants and smaller industry participants with its plug-and-play capabilities. The ecosystem Complete Solaria has built provides broad reach, and we believe it positions Complete Solaria for sustained and rapid growth through a capital-efficient business model. The network of our partners continues to expand today.

Differentiation and Operating Results

Delivering a differentiated customer experience is core to Complete Solaria's strategy. It emphasizes a customized solution, including a design specific to each customer's home and pricing configurations that typically drive both customer savings and value. Developing a trusted brand and providing a customized solar service offering resonates with customers accustomed to a traditional residential power market that is often overpriced and lacking in customer choice.

Financing Solutions

Complete Solaria assists its end customers with financing solutions through third-party lease providers, power purchase agreement providers and third-party loan providers.

Customers may lease a Complete Solaria solar system. The lease provider will purchase the solar system and the property owner will rent the solar system in exchange for the electricity the system produces.

Through a power purchase agreement, a third-party developer installs, owns, and operates a solar system on a customer's property. The customer then purchases the system's electric output for a predetermined period. A power purchase agreement allows the customer to receive stable and often low-cost electricity with no upfront cost while also enabling the owner of the system to take advantage of tax credits and receive income from the sale of electricity.

Lastly, third-party loan providers offer Complete Solaria's end customers a loan to purchase solar systems, and then the customers will pay off the loan over a period of time.

Our Strategy

Complete Solaria's strategy focuses on providing its sales partners with the software tools, sales support, and ability to compete effectively with national providers. This turnkey solution makes it easy for anyone to sell solar.

Solar System Sales

Solar System Sales are full systems sold to homeowners and small to medium-sized commercial businesses through Complete Solaria's sales partner channels. Complete Solaria and its builder partners fulfill and install the systems.

- *Increase revenue by expanding installation capacity and developing new geographic markets through Complete Solaria's partner programs.*— Certain Complete Solaria partners become builder partners who install systems resulting from sales generated by Complete Solaria's sales partners. By leveraging this network of skilled builders, Complete Solaria aims to increase its installation capacity in traditional markets and expand its offering into new geographies throughout the U.S. We believe 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*— Complete Solar operated in 16 states before the formation of Complete Solaria. By expanding operations nationally, Complete Solaria will be able 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 brokers. Complete Solaria expects to create a consistent offering with a single execution process for such sales partners throughout their territories. These national accounts have unique customer relationships that will facilitate meaningful sales opportunities and low acquisition cost to increase revenue and improve margin.

Software and Services

Software and services sales include access to Complete Solaria's HelioQuoteTM sales proposal and system design software; proposal writing services that support field sales agents; and design, engineering, and permitting services that improve subscale solar companies' operational effectiveness and cost efficiency. See "*Increase revenue and margin by bundling software enhanced services with solar module sales*" above.

In support of Complete Solaria's strategy to increase revenue and expand margin opportunities in its two core products, Complete Solaria also considers the following activities to be key elements of its strategy:

- *Expand Partnerships with Solar Partners, Strategic Partners, and Attractive New Market Participants.* Complete Solaria's platform of services and tools allows it to engage with a wide variety of solar industry partners and new industry participants, such as retailers and service providers who would like to offer solar to new and existing customers. Complete Solaria plans to continue to invest in its ability to attract, convert, grow, and retain promising partners to facilitate capital-efficient growth.
- *Continue to Invest in the digital platform*. Complete Solaria plans to continue to invest in and develop complementary software, services, and technologies to enhance the scalability of its platform and support an automated, highly efficient operational structure that delivers a world-class customer experience. Complete Solaria expects to continue to make significant investments in automating the end-to-end solar process through improved workflow management, electronic site-audit, and electronic permitting capabilities. Additionally, Complete Solaria plans to continue to develop consumer facing software to enhance consumers' ability to manage their solar systems and integrate other energy-efficient products and services into their homes.
- *Continue to Deliver a Differentiated Customer Experience.* Complete Solaria prioritizes the customer experience. Its systems enable fast project fulfillment, direct customer communication, and facilitation of third-party sales, installation, and finance partners for a seamless customer experience. These systems also enable a broad service offering with customized configurations and pricing. Further development of these systems will enable future product offerings and increasingly optimized solar and energy-efficient configurations for Complete Solaria's customers.

Our Strengths

The following strengths position Complete Solaria to drive the mass adoption of residential solar in a manner that maximizes the value of its growing customer base over the long term:

- *Platform of Services and Tools*: A diversified and multi-pronged customer acquisition approach. This infrastructure underpins the ability to enjoy broad customer reach with a low system-wide cost structure and positions Complete Solaria for expansion to every market where distributed solar energy generation can offer homeowners savings versus traditional utility retail power.
- *Differentiated Customer Experience*: We offer a unique customer experience through various methods: customer-friendly solar service features, tailored designs and customizable pricing for each homeowner, a highly consultative sales process, and a focus on customer savings.
- *Unique access to customers through third-party sales channels:* The turn-key solar product offering, best-in-class customer service, and national footprint support third-party sales channels and strategic national partnerships. Complete Solaria provides solutions for sales channels seeking to expand their geographic reach and strengthen their relationships with their own customers.

AN INVESTMENT

Technology Suite

HelioSuite is an innovative, end-to-end software platform designed to manage every aspect of a residential solar project. HelioSuite was originally designed to support our internal sales and build partners to ensure a seamless customer experience. In 2021, Complete Solaria commercialized the software solutions through Helio Proposal Services provide proposal services for residential solar sales companies outside of Complete Solar's existing network of sales partners. Features of the Technology Suite include the following capabilities, some of which are planned for roll-out in the future:

- *HelioQuoteTM*: is an automated solar design tool that rapidly generates optimized proposals and executable contracts. Software innovations that automate system design and layout while optimizing homeowner economics enable proposal generation. The average turnaround time for a proposal is only five minutes, which we believe is much faster than our competitors.
- *HelioTrackTM*: a project management software that streamlines the installation process and coordinates interactions between Complete Solaria, homeowners, sales partners and build partners. It includes a customer relationship management tool that provides payroll, commissions tracking, and project progression to all partners. The equipment management module coordinates the bill of materials and ordering process and tracks and manages all inventory for a project. The construction module assigns projects, calculates commissions and payments, and control quality. The Complete Solar Project Management tools automate task assignments and times and track progress.
- *Share The Sun*: is an online customer engagement platform where customers can make referrals and share information on social networks. Complete Solaria has considered offering services that allow customers to view their energy generation, pay their bills, contact the customer service team, and assess their positive environmental impact.

Customer Service and Operations

Solar System Sales

Complete Solaria has made significant investments to create a platform of services and tools that addresses customer origination, system design and installation, and general customer support. Before a sales representative conducts a consultation, homeowners are pre-qualified based on a preliminary evaluation which considers a homeowner's credit, home ownership, electricity usage and suitability of the roof based on age, condition, shading and pitch. Once a homeowner is pre-qualified, all necessary data is collected and a proposal is generated for the homeowner. If a homeowner is interested in moving forward, a customer contract is automatically generated for electronic execution. This contract then undergoes a final review and verification of credit before it is countersigned.

Once an agreement is fully executed, a service tech performs a site audit at the home to inspect the roof and measure shading. This audit follows a final system design plan and an application for any required building permits. The plans are reviewed to ensure they conform to the executed contract or to process a change order if required. A second production estimate is generated at this time and if the expected energy production exceeds or falls below the original estimate by certain thresholds, the homeowner agreement is modified accordingly. To reduce installation costs and operational risk, there are defined design and installation quality standards designed to ensure that homeowners receive a quality product, regardless of who installs the system.

After the solar panels are installed, the customer care team follows up with the homeowner with a survey on their experience. If a system requires maintenance, Complete Solaria or a partner or dedicated service-only contractor will visit the customer's home and perform any necessary repairs or maintenance at no additional cost to the customer.

Software Enhanced Services

Complete Solaria's partners are third-party Sales organizations that use the design and proposal services for their residential solar projects. Complete Solaria staffs a sales support desk six days a week to provide live customer support for sales representatives who need a design or proposal for a potential homeowner sale. These customer support teams rapidly produce proposals, answer questions, and offer other forms of support for sales personnel.

Suppliers

The main components of a residential solar energy system are the solar modules, inverters, and racking systems. Complete Solaria generally purchases these components for build partners from select distributors, which are then shipped to build partners for installation. There is a running list of approved suppliers in the event any of the sources for modules, inverters or other components become unavailable. If Complete Solaria fails to develop, maintain, and expand relationships with these or other suppliers, the ability to meet anticipated demand for solar energy systems may be adversely affected, or at higher costs or delayed. If one or more of the suppliers ceases or reduces production due to its financial condition, acquisition by a competitor or otherwise, it may be difficult to identify alternate suppliers quickly or to qualify alternative products on commercially reasonable terms, and the ability to satisfy this demand may be adversely affected.

Complete Solaria screens all suppliers and components based on expected cost, reliability, warranty coverage, ease of installation, etc. The declining cost of solar modules and the raw materials necessary to manufacture them have been a key driver in the prices charged for electricity and homeowner adoption of solar energy. If solar module and raw material prices do not continue to decline at the same rate as they have over the past several years, the resulting prices could slow growth and cause financial results to suffer. If Complete Solaria is required to pay higher prices for supplies, accept less favorable terms, or purchase solar modules or other system components from alternative, higher-priced sources, financial results may be adversely affected.

Complete Solaria's build partners are responsible for and source the other products related to solar energy systems, such as fasteners, wiring and electrical fittings. From time-to-time, Complete Solaria procures these other products related to solar energy systems for its own installation business. Complete Solaria manages inventory through local warehouses and as segregated inventory at build partners.

The main components of a residential solar module are the solar cells. Complete Solaria's solar modules are generally manufactured by third-party select manufacturers and are purchased from distributors.

Complete Solaria screens all suppliers and components based on expected cost, reliability, warranty coverage, ease of installation, and other factors. It typically enters into master contract arrangements with major suppliers that define the general terms and conditions of purchases, including warranties, product specifications, indemnities, delivery and other customary terms.

Competition

Solar System Sales

Complete Solaria's primary competitors are the traditional utilities that supply electricity to potential customers. It competes with these traditional utilities primarily based on price (cents per kilowatt hour), predictability of future prices (by providing pre-determined annual price escalations) and the ease by which homeowners can switch to electricity generated by solar energy systems. Based on these factors, Complete Solaria competes favorably with traditional utilities.

Complete Solaria competes for homeowner customers with other solar sales and installation companies and with solar companies with business models that are similar to Complete Solaria's. Complete Solaria's main competitors can be grouped broadly into (a) national, vertically integrated companies with established brands and proprietary consumer financing products; (b) small, local solar contractors who operate with relatively low-fixed overhead expenses but who may lack systems, tools, and sophisticated product offerings; and (c) sales aggregators who engage with third-party sales companies to generate installation contracts. Complete Solaria competes favorably with these companies, with (a) better customer experience and better Sales Partner experience than the national vertically integrated companies; (b) better pricing and broader customer offerings than smaller local solar contractors; and (c) a better build partner experience than sales aggregators.

Complete Solaria also faces competition from purely finance-driven organizations that acquire homeowner customers and then subcontract out the installation of solar energy systems, installation businesses that seek financing from external parties, large construction companies and utilities and sophisticated electrical and roofing companies. At the same time, the open platform provides opportunities for these competitors to become partners, and the open platform offers these new market participants a cost-effective way to enter the market and compelling process, technology and supply chain services over the long term.

Intellectual Property

Complete Solaria seeks to protect its intellectual property rights by relying on federal, state and common law rights in the U.S. and other countries, as well as contractual restrictions. It generally enters into confidentiality and invention assignment agreements with employees and contractors, and confidentiality agreements with other third parties, in order to limit access to, and disclosure and use of, confidential information and proprietary technology. In addition to these contractual arrangements, Complete Solaria also relies on a combination of trademarks, trade dress, domain names, copyrights, and trade secrets to help protect the brand and other intellectual property.

Government Regulations and Incentives

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

In addition to the mechanisms described above, there are various incentives for homeowners and businesses to adopt solar power in The Inflation Reduction Act of 2022. Moreover, in Europe, the European Commission has mandated that its member states adopt integrated national climate and energy plans to increase their renewable energy targets to be achieved by 2030, which could benefit the deployment of solar. However, the U.S. and European Union, among others, have imposed tariffs or are evaluating the imposition of tariffs on solar panels, solar cells, polysilicon, and other components. These and any other tariffs or similar taxes or duties may offset the incentives described above and increase the price of Complete Solaria's solar products.

Employees and Human Capital Resources

As of December 31, 2023, Complete Solaria had over 134 employees. Complete Solaria also engages independent contractors and consultants. No employees are covered by collective bargaining agreements. There have not been any work stoppages.

Complete Solaria's human capital resources objectives include identifying, recruiting, retaining, training, and integrating its existing and new employees. The principal purposes of Complete Solaria's equity incentive plans are to attract, retain and motivate personnel through the granting of equity-based awards, increasing stockholder value and the success of Complete Solaria by motivating such individuals to perform to the best of their abilities and achieve Complete Solaria's objectives.

Facilities

Complete Solaria's corporate headquarters and executive offices are located in Fremont, California and it also maintains an office in Lehi, Utah.

Complete Solaria leases all the facilities and owns no real property. Complete Solaria believes that current facilities are adequate to meet ongoing needs. If additional space is required, Complete Solaria believes that it will be able to obtain additional facilities on commercially reasonable terms.

U.S. Corporate Information

We were originally known as Freedom Acquisition I Corp ("FACT"). We are engaged in solar system sales and associated commerce. On July 18, 2023, Complete Solaria, FACT, and certain other entities consummated the transactions contemplated under that certain amended and restated Business Combination Agreement, dated as of May 26, 2023, following the approval at the special meeting of the stockholders of FACT held July 11, 2023. In connection with the closing of the Business Combination, we changed our name from Freedom Acquisition I Corp. to Complete Solaria, Inc.

Our principal executive offices are located at 45700 Northport Loop E, Fremont, CA 94538, and our telephone number is (510) 270-2507.

Access to Company Information

We file or furnish periodic reports and amendments thereto, including our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, proxy statements and other information with the Securities and Exchange Commission ("SEC"). In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically. Complete Solar's internet address is https://www.completesolaria.com. Through our internet website, we make available, free of charge, our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such reports have been filed with or furnished to the SEC. The information on our website is not a part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Investing in our securities involves a high degree of risk. The occurrence You should carefully consider the risks and uncertainties described below together with all of one or more the other information contained in this Annual Report on Form 10-K, including our consolidated financial statements and related notes appearing in Part II, Item 8 of this Annual Report on Form 10-K and in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding to invest in our securities. If any of the events or circumstances developments described in the section titled "Risk Factors," alone or in combination with other events or circumstances, may materially adversely affect below were to occur, our business, prospects, operating results and financial condition and operating results. In that event, could suffer materially, the trading price of our securities could decline, and you could lose all or part of your investment. Such The risks include, but and uncertainties described below are not limited to: the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business.

- We may not be able to complete the proposed Business Combination with Complete Solaria. If we are unable to do so, we will incur substantial costs associated with withdrawing from the transaction and may not be able to find additional sources of financing to cover those costs.

You should not interpret our disclosure of any of the following risks to imply that such risks have not already materialized.

- If the proposed Business Combination with Complete Solaria fails, it may be difficult to complete a business combination with a new prospective target business, negotiate and agree to a new business combination, and/or arrange for new sources of financing by the end of the Extension Period, in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate.

Risks Related to our Businesses and Industry

- We are a blank check company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.

Our business depends in part on the availability of rebates, tax credits and other financial incentives. The expiration, elimination or reduction of these rebates, credits or incentives or the ability to monetize them could adversely impact our business.

- Past performance by our management team, directors, advisors and their respective affiliates may not be indicative of future performance of an investment in the Company.

U.S. federal, state and local government bodies provide incentives to end users, distributors, system integrators and manufacturers of solar energy systems to promote solar electricity in the form of rebates, tax credits and other financial incentives such as system performance payments, payments for renewable energy credits associated with renewable energy generation and the exclusion of solar energy systems from property tax assessments. These incentives enable us to lower the price charged to customers for energy and for solar energy systems. However, these incentives may expire on a particular date, end when the allocated funding is exhausted or be reduced or terminated as solar energy adoption rates increase. These reductions or terminations often occur without warning.

- We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our shareholders' investment in us.

The Inflation Reduction Act ("IRA") extended and modified prior law applicable to tax credits that are available with respect to solar energy systems. Under the IRA, the following credits are available: (i) a production tax credit under Code Section 44 (for facilities that begin construction before January 1, 2025) and Code Section 45Y (for facilities that begin construction between January 1, 2025 and the year that is four calendar years after the year in which certain U.S. greenhouse gas emissions percentages are met) (the "PTC") in connection with the installation of certain solar facilities and energy storage technology, (ii) an investment tax credit under Code Section 48 (for facilities that begin construction before January 1, 2025) and Code Section 48E (for facilities that begin construction between January 1, 2025 and the year that is four calendar years after the year in which certain U.S. greenhouse gas emissions percentages are met) (the "ITC") in connection with the installation of certain solar facilities and energy storage technology, and (iii) a residential clean energy credit (the "Section 25D Credit") in connection with the installation of property that uses solar energy to generate electricity for residential use.

- Our search for a business combination, and any prospective partner business with which we ultimately consummate a business combination, may be materially adversely affected by the coronavirus (COVID-19) pandemic and the status of debt and equity markets.

Prior to the IRA, the PTC for solar facilities had phased out and was no longer available. The IRA reinstated the PTC for solar facilities. The PTC available to a taxpayer in a taxable year is equal to a certain rate multiplied by the kilowatt hours of electricity produced by the taxpayer from solar energy at a facility owned by it and sold to an unrelated party during that taxable year. The base rates for the PTC is 0.3 cents. This rate is increased to 1.5 cents for projects that (i) have a maximum net output of less than one MW AC, (ii) begin construction before January 29, 2023, or (iii) meet certain prevailing wage and apprenticeship requirements. It also may be increased for projects that include a certain percentage of components that were produced in the U.S., projects that are located in certain energy communities, and projects that are located in low-income communities.

- Unlike some other similarly structured special purpose acquisition companies, our initial shareholders will receive additional Class A ordinary shares if we issue certain shares to consummate an initial business combination.
- Resources could be wasted in researching business combinations that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.
- Our public shareholders may not be afforded an opportunity to vote on our proposed initial business combination, which means we may complete our initial business combination even though a majority of our public shareholders do not support such a combination.
- Your only opportunity to effect your investment decision regarding a potential business combination may be limited to the exercise of your right to redeem your shares from us for cash.
- If we seek shareholder approval of our initial business combination, our initial shareholders and management team have agreed to vote in favor of such initial business combination, regardless of how our public shareholders vote.
- The ability of our public shareholders to redeem their shares for cash may make our financial condition unattractive to potential business combination targets, which may make it difficult for us to enter into a business combination with a target or prevent us from completing the most desirable business combination or optimizing our capital structure.

- If the funds available to us outside the trust account to fund our working capital requirements are insufficient to allow us to operate for at least the Extension Period, it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination, and we will depend on loans from our sponsor or management team to fund our search and to complete our initial business combination.
- You are not entitled to protections normally afforded to investors of many other blank check companies.
- The requirement that we complete our initial business combination during the Extension Period may give potential target businesses leverage over us in negotiating a business combination and may limit the time we have in which to conduct due diligence on potential business combination targets, in particular as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce value for our shareholders.
- Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public shareholders may receive only their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.
- If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete our initial business combination. To mitigate the risk of being deemed to be an investment company for purposes of the Investment Company Act, we may instruct the trustee of the trust account to liquidate the securities held in the trust account and instead hold all funds in the trust account in a bank deposit account.
- We have identified a material weakness in our internal control over financial reporting. This material weakness could continue to adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.
- The NYSE may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.
- You will not have any rights or interests in funds from the trust account, except under certain limited circumstances. Therefore, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.
- If a shareholder fails to receive notice of our offer to redeem our public shares in connection with our initial business combination, or fails to comply with the procedures for submitting or tendering its shares, such shares may not be redeemed.
- If we seek shareholder approval of our initial business combination and we do not conduct redemptions pursuant to the tender offer rules, and if you or a "group" of shareholders are deemed to hold in excess of 15% of our Class A ordinary shares, you will lose the ability to redeem all such shares in excess of 15% of our Class A ordinary shares.
- We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.
- Certain members of our management team may be involved in and have a greater financial interest in the performance of other entities with which they are affiliated, and such activities may create conflicts of interest in making decisions on our behalf.
- Our initial shareholders stand to make a substantial profit on the founder shares even if an initial business combination subsequently declines in value or is unprofitable for our public shareholders, and may have an incentive to recommend such an initial business combination to our shareholders.

PART I

Item 1. Business

General

We are a blank check company, incorporated as a Cayman Islands exempted company for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses, which we refer to throughout Annual Report as our initial business combination.

Freedom Acquisition I Corp. was established by Tidjane Thiam, Adam Gishen and Abhishek Bhatia to leverage their extensive experience in acquiring, building, operating and scaling global financial services businesses in constantly evolving environments. Mr. Thiam, with his more than 30 years of experience in financial services businesses, led global institutions like Credit Suisse and Prudential as CEO for 5 years and 6 years, respectively. Mr. Gishen has over 20 years of experience in financial services and has held senior leadership responsibilities in recent years at Credit Suisse running its Global Investor Relations and Corporate Communications functions. Mr. Bhatia has more than 20 years of global experience in life and general insurance and asset management and has created businesses from scratch, including a technology-enabled life insurer in Europe and a full-stack digital insurer in Asia for which he served as CEO.

Company History

On December 31, 2020, the sponsor paid $25,000, or approximately $0.003 per share, to cover certain offering costs in consideration for 7,187,500 Class B ordinary shares, par value $0.0001 per share (the “founder shares”). On February 25, 2021, the Company effected a share dividend whereby the Company issued 1,437,500 Class B ordinary shares, resulting in an aggregate of 8,625,000 Class B ordinary shares outstanding and held by our sponsor. Our Class B ordinary shares will automatically convert into Class A ordinary shares, on a one-for-one basis, upon the completion of a business combination. The number of founder shares issued was determined based on the expectation that the founder shares would represent 20% of the issued and outstanding ordinary shares upon completion of the initial public offering.

On March 2, 2021, we completed our initial public offering of 34,500,000 units at a price of $10.00 per unit (the “units”), generating gross proceeds of $345,000,000. Each unit consists of one of the Company’s Class A ordinary shares, par value $0.0001 per share, and one-fourth of one redeemable warrant. Each whole warrant entitles the holder thereof to purchase one Class A ordinary share at a price of $11.50 per share, subject to certain adjustments.

Substantially concurrently with the completion of the initial public offering, our sponsor purchased an aggregate of 6,266,667 warrants (the “private placement warrants”) at a price of $1.50 per warrant, or $9,400,000 in the aggregate. A total of $345,000,000, comprised of $338,595,000 of the proceeds from the initial public offering, including $12,075,000 of the underwriters’ deferred discount, and $6,405,000 of the proceeds of the sale of the private placement warrants, was placed in a U.S.-based trust account at J.P. Morgan Chase Bank, N.A., maintained by Continental Stock Transfer & Trust Company, acting as trustee.

On April 16, 2021, we announced that, commencing April 19, 2021, holders of the 34,500,000 units sold in the initial public offering may elect to separately trade the Class A ordinary shares and the warrants included in the units. Those units not separated continued to trade on the New York Stock Exchange (“NYSE”) under the symbol “FACT.U” and the Class A ordinary shares and warrants that were separated trade under the symbols “FACT” and “FACT WS,” respectively.

Amendment to Amended and Restated Memorandum and Articles of Association

On February 28, 2023, Freedom held an extraordinary general meeting of shareholders (the "Extraordinary General Meeting"), at which holders of 35,373,848 ordinary shares, comprised of 26,773,848 Class A ordinary shares and 8,600,000 Class B ordinary shares, were present in person or by proxy, representing approximately 82.02% of the voting power of the 43,125,000 issued and outstanding ordinary shares of Freedom entitled to vote at the Extraordinary General Meeting at the close of business on January 23, 2023, which was the record date (the "Record Date") for the Extraordinary General Meeting (such shares, the "Outstanding Shares"). The Outstanding Shares on the Record Date were comprised of 34,500,000 Class A ordinary shares and 8,625,000 Class B ordinary shares.

At the Extraordinary General Meeting, the shareholders approved, by special resolution, the proposal (the "Extension Amendment Proposal") to amend the amended and restated memorandum and articles of association to extend the date by which Freedom must (i) consummate a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination, which Freedom refers to as its initial business combination, (ii) cease its operations except for the purpose of winding up if it fails to complete such initial business combination, and (iii) redeem all of the Class A ordinary shares, included as part of the units sold in the initial public offering, for an additional three months, from March 2, 2023 to June 2, 2023, and thereafter to up to three (3) times by an additional one month each time (or up to September 2, 2023) (the "Extension Amendment," and such period, as may be extended, the "Extension Period"). The voting results for such proposal were as follows:

For	Against	Abstain
35,047,305	326,543	0

In connection with the Extension Amendment, public shareholders elected to redeem an aggregate of 23,256,504 Class A ordinary shares at a redemption price of $10.21 per share, representing approximately 67.41% of the issued and outstanding Class A ordinary shares, for an aggregate redemption amount of approximately $237,372,952. Following such redemptions, approximately $114,759,374 remained in the trust account and 11,243,496 Class A ordinary shares remain outstanding.

At the Extraordinary General Meeting, the public shareholders also approved the proposal to amend the Investment Management Trust Agreement, dated as of February 25, 2021 (the "Trust Agreement"), by and between Freedom and Continental Stock Transfer & Trust Company, as trustee ("Continental"), to reflect the Extension Amendment. The amendment to the Trust Agreement provides that Continental shall commence liquidation of the trust account only and promptly (x) after its receipt of the applicable instruction letter delivered by Freedom in connection with either the consummation of an initial business combination or Freedom's inability to effect an initial business combination within the time frame specified in Freedom's amended and restated memorandum and articles of association or (y) upon the date that is the later of the end of the Extension Period and such later date as may be approved by Freedom's shareholders in accordance with the amended and restated memorandum and articles of association, if the aforementioned termination letter has not been received by Continental prior to such date. The voting results for such proposal were as follows:

For	Against	Abstain
35,047,305	326,543	0

The Proposed Business Combination

Business Combination Agreement

On October 3, 2022, Freedom entered into a Business Combination Agreement (as amended by the First Amendment to the Business Combination Agreement dated December 26, 2022 and the Second Amendment to the Business Combination Agreement dated January 17, 2023, and as may be further amended and supplemented from time to time, the "Business Combination Agreement"), with Jupiter Merger Sub I Corp., a Delaware corporation and a wholly owned subsidiary of Freedom ("First Merger Sub"), Jupiter Merger Sub II LLC, a Delaware limited liability company and a wholly owned subsidiary of Freedom ("Second Merger Sub"), Complete Solaria, Inc. (formerly known as Complete Solar Holding Corporation), a Delaware corporation ("Complete Solaria") and The Solaria Corporation, a Delaware corporation ("Solaria").

The Mergers

The Business Combination Agreement provides that, among other things and upon the terms and subject to the conditions thereof, the following transactions will occur (together with the other agreements and transactions contemplated by the Business Combination Agreement, the "Business Combination"):

- at the closing of the transactions contemplated by the Business Combination Agreement (the "Closing"), upon the terms and subject to the conditions thereof, and in accordance with the Delaware General Corporation Law, as amended (the "DGCL"), (i) First Merger Sub will merge with and into Complete Solaria, with Complete Solaria surviving as a wholly owned subsidiary of Freedom, (ii) immediately thereafter and as part of the same overall transaction, Complete Solaria will merge with and into Second Merger Sub, with Second Merger Sub surviving as a wholly owned subsidiary of Freedom, and (iii) immediately after the consummation of the Second Merger and as part of the same overall transaction, Solaria will merge with and into a newly formed Delaware limited liability company and wholly-owned subsidiary of Freedom ("Third Merger Sub"), with Third Merger Sub surviving as a wholly-owned subsidiary of Freedom (the "Additional Merger," and together with the First Merger and the Second Merger, the "Mergers");
- at the Closing, all outstanding shares of capital stock of Complete Solaria (subject to certain restrictions) and all options and warrants to acquire shares of capital stock of Complete Solaria will convert into the right to receive shares of common stock, par value $0.0001 per share, of Freedom (after the Domestication (as defined below)) ("Freedom Common Stock") or comparable equity awards that are settled or are exercisable for shares of Freedom Common Stock; and
- at the Closing, Freedom will be renamed "Complete Solaria, Inc."

A special committee (the "Freedom Special Committee") of the Board of Directors of Freedom (the "Freedom Board") and the Freedom Board have (i) approved the Business Combination Agreement and the Business Combination and (ii) resolved to recommend that the shareholders of Freedom approve the Business Combination Agreement and the Business Combination.

The Domestication

Prior to the Closing, subject to the approval of Freedom's shareholders, and in accordance with the DGCL, the Cayman Islands Companies Act (As Revised) (the "CICA") and Freedom's Amended and Restated Memorandum and Articles of Association, Freedom will effect a deregistration under the CICA and a domestication under Section 388 of the DGCL (by means of filing a certificate of domestication with the Secretary of State of the State of Delaware), pursuant to which Freedom's jurisdiction of incorporation will be changed from the Cayman Islands to the State of Delaware (the "Domestication").

In connection with the Domestication, (i) each of the then issued and outstanding Class A ordinary shares, par value $0.0001 per share, of Freedom, will convert automatically, on a one-for-one basis, into a share of Freedom Common Stock, which is entitled to one vote per share, (ii) each of the then issued and outstanding Class B ordinary shares, par value $0.0001 per share, of Freedom, will convert automatically, on a one-for-one basis, into a share of Freedom Common Stock.

Conditions to the Closing

The obligation of the parties to consummate the Business Combination is subject to the satisfaction or waiver of certain closing conditions, including (i) approval of the Business Combination and related matters by the respective shareholders of Freedom and Complete Solaria, (ii) expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act, as amended, (iii) the absence of any law or injunctions prohibiting the consummation of the Mergers, (iv) Freedom having at least $5,000,001 of net tangible assets upon the Closing, (v) the size and composition of the Board conforming to the requirements set forth in the Business Combination Agreement, (vi) receipt of approval for listing by The New York Stock Exchange of the shares of Freedom common stock to be issued in the Business Combination, (vii) effectiveness of the registration statement on Form S-4 filed by Freedom in connection with the Business Combination and (viii) the receipt by the Freedom Board or Freedom Special Committee of a fairness opinion from a reputable financial advisory or valuation firm with respect to the Business Combination (which was received on October 31, 2022).

Other conditions to Freedom's obligation to consummate the Business Combination include (i) the consummation of the Required Transaction (as defined below) (which was consummated on November 4, 2022) and (ii) the receipt by Complete Solaria of certain consents.

Each party's obligation to consummate the Business Combination is also conditioned upon the accuracy of the other party's representations and warranties, subject to customary materiality and material adverse effect qualifiers, and the performance in all material respects by the other party of its covenants in the Business Combination Agreement to be performed as of or prior to the Closing.

Covenants

The Business Combination Agreement contains additional covenants, including, among others, providing for (i) the parties to conduct their respective businesses in the ordinary course through the Closing, (ii) the parties to not initiate any negotiations or enter into any agreements for certain alternative transactions, (iii) Complete Solaria to prepare and deliver to Freedom certain audited and unaudited consolidated financial statements of Complete Solaria and its subsidiaries (including Solaria), (iv) Freedom to prepare and file a registration statement on Form S-4, including a proxy statement/prospectus, and to take certain other actions to obtain the requisite approval of Freedom shareholders of certain proposals regarding the Business Combination (including the Domestication), (v) the parties to use reasonable best efforts to obtain necessary approvals from governmental authorities, (vi) if determined in good faith by Freedom and Complete Solaria that it is probable that the Business Combination will be consummated after March 1, 2023, and subject to the conditions set forth in the Business Combination Agreement, Freedom to seek the approval of its shareholders to amend its organizational documents to extend the time period for Freedom to consummate its initial business combination for six months from March 1, 2023 to September 1, 2023 (which was obtained on February 28, 2023).

Governance

Pursuant to the Business Combination Agreement, the board of directors of Complete Solaria following the Closing will consist of no more than seven directors, to initially consist of (i) the individuals designated by Complete Solaria prior to Closing, consisting of a majority of "independent" directors for the purposes of NYSE rules and (ii) Tidjane Thiam and Adam Gishen (or any other substitute director designated by the Sponsor, subject to the prior approval of Complete Solaria). Complete Solaria has agreed to cause Mr. Thiam to be nominated for election to its board of directors at each of its first three annual meetings of stockholders following the Closing.

Representations and Warranties

The Business Combination Agreement contains customary representations and warranties by Freedom, First Merger Sub, Second Merger Sub and Complete Solaria. The representations and warranties of the parties to the Business Combination Agreement will not survive the Closing.

Termination

The Business Combination Agreement contains the following termination rights:

- the right of the parties to terminate the Business Combination Agreement by mutual consent;
- the right of either Freedom or Complete Solaria to terminate the Business Combination Agreement if:
  - shareholders of the other party fail to approve the Business Combination;
  - any governmental authority issues or otherwise enters a final, nonappealable order making consummation of the Mergers illegal or otherwise prevents or prohibits consummation of the Mergers;
  - the other party breaches its representations, warranties, covenants or other agreements contained in the Business Combination Agreement in a way that would entitle the party seeking to terminate the Business Combination Agreement to not consummate the Business Combination, subject to the right of the breaching party to cure the breach;
  - the Required Transaction has not been consummated within 30 days following the date of the Business Combination Agreement (this termination right is no longer applicable as the Required Transaction was consummated on November 4, 2022);

- the Freedom Board or Freedom Special Committee has not received a fairness opinion from a reputable financial advisory or valuation firm with respect to the Business Combination within 30 days of the date of the Business Combination Agreement and such party exercises the right to termination within such 30 day period (this termination right is no longer applicable as such fairness opinion was received on October 31, 2022); or
- the Closing has not occurred on or before the end of the Extension Period;

- the right of Complete Solaria to terminate the Business Combination Agreement if the Freedom Board or Freedom Special Committee changes its recommendation with respect to the Business Combination.

Certain Related Agreements and Transactions

The Required Transaction

On October 3, 2022, Complete Solar Holding Corporation (the predecessor of Complete Solaria) entered into that certain Agreement and Plan of Merger with Complete Solaria Midco, LLC, a Delaware limited liability company and a wholly owned subsidiary of Solaria ("Midco"), Complete Solaria Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of Midco, Solaria and Fortis Advisors, LLC, a Delaware limited liability company, solely in its capacity as the representative of Complete Solaria's stockholders (the "Required Transaction"). On November 4, 2022, the Required Transaction was consummated.

Complete Solaria Convertible Note Financing

On October 3, 2022, Complete Solaria entered into note subscription agreements (the "Pre-Signing Complete Solaria Subscription Agreements") with certain investors, consisting of (i) Rodgers Massey Revocable Living Trust ("RMRLT"), which is affiliated with T.J. Rodgers, a former investor in Solaria, (ii) Tidjane Thiam, Executive Chairman of Freedom, (iii) Adam Gishen, Chief Executive Officer of Freedom, and (iv) NextG, an affiliate of Edward Zeng, a director of Freedom, pursuant to which such investors agreed to purchase convertible notes from Complete Solaria for an aggregate purchase price of $7 million. In addition, RMRLT purchased convertible notes from Complete Solaria following the consummation of the Required Transaction in an amount equal to approximately $6.7 million in consideration for RMRLT's former investment in Solaria, which was assumed and cancelled by Complete Solaria.

The Business Combination Agreement also contemplates that, following the date of the Business Combination Agreement, Complete Solaria will enter into additional subscription agreements on terms substantially similar to, or no less favorable in all material respects to Complete Solaria than, the Pre-Signing Complete Solaria Subscription Agreements (the "Post-Signing Complete Solaria Subscription Agreements" and, together with the Pre-Signing Complete Solaria Subscription Agreements, the "Complete Solaria Subscription Agreements") with additional investors pursuant to which such investors agree, subject to the terms and conditions set forth therein, to purchase convertible notes from Complete Solaria for an aggregate purchase price of up to $23 million. In November 2022, December 2022, and February 2023, Complete Solaria entered into note subscription agreements with additional investors, pursuant to which such investors purchased convertible notes from Complete Solaria for an aggregate purchase price of $16 million.

Sponsor Support Agreement

On October 3, 2022, Freedom entered into a Sponsor Support Agreement (the "Sponsor Support Agreement") with Freedom Acquisition I LLC, a Cayman Islands limited liability company (the "Sponsor"), certain directors and officers of Freedom, and Complete Solaria, pursuant to which the Sponsor and each such director and officer of Freedom has agreed to, among other things, (i) vote in favor of the Business Combination Agreement and the transactions contemplated thereby, (ii) not redeem their Freedom ordinary shares, (iii) from the Closing, at each of the first three annual meetings of the stockholders of Complete Solaria vote all of their shares of common stock of Complete Solaria in favor of Mr. Thiam for election to the board of directors of Complete Solaria, and (iv) be bound by certain other agreements and covenants related to the Business Combination, including vesting and forfeiture restrictions with respect to certain shares held by the Sponsor.

Complete Solaria Stockholder Support Agreement

On October 3, 2022, Freedom entered into The ITC available to a Company Stockholders Support Agreement (the "Complete Solaria Stockholder Support Agreement") with Complete Solaria taxpayer in a taxable year is equal to the "energy percentage" of the basis of "energy property" placed in service by the taxpayer during that taxable year. "Energy property" includes equipment that uses solar energy to generate electricity (including structural components that are necessary to the functioning of a solar facility as a whole) and certain stockholders energy storage systems (including batteries included as part of Complete Solaria (the "Complete Solaria Stockholders") or adjacent to a solar facility). Under The base "energy percentage" for the Complete Solaria Stockholder Support Agreement, each Complete Solaria Stockholder has agreed ITC is 6%. This energy percentage is increased to among other things 30% for projects that (i) vote have a maximum net output of less than one MW AC, (ii) begin construction before January 29, 2023, or (iii) meet certain prevailing wage and apprenticeship requirements. It also may be increased for projects that include a certain percentage of components that were produced in the U.S., projects that are located in certain energy communities, and projects that are located in low-income communities. ITCs are subject to recapture if, during the five-year period after a facility is placed in service, the facility is sold, exchanged, involuntarily converted, or ceases its shares, (ii) execute and deliver a written consent adopting business usage. If the Business Combination Agreement and related transactions and approving the Business Combination, (iii) from the Closing, at each of event that causes such recapture occurs within the first three annual meetings of the stockholders of Complete Solaria vote all of its shares of Complete Solaria common stock year after a project is placed in favor of Mr. Thiam for election to the board of directors of Complete Solaria, and (iv) be bound by certain other agreements and covenants related to the Business Combination.

Amended and Restated Registration Rights Agreement

The Business Combination Agreement contemplates that, at the Closing, Complete Solaria, the Sponsor, certain equityholders of Complete Solaria and certain of their respective affiliates, as applicable, and the other parties thereto, will enter into an Amended and Restated Registration Rights Agreement (the "A&R Registration Rights Agreement"), pursuant to which Complete Solaria will grant customary registration rights to the other parties thereto, including to register for resale, pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), certain securities of Complete Solaria held by the other parties thereto.

Lock-Up Agreement

The Business Combination Agreement contemplates that, at the Closing, Complete Solaria, the Sponsor, the Sponsor Key Holders (as defined in the Lock-Up Agreement) and Complete Solaria Key Holders (as defined in the Lock-Up Agreement), will enter into a Lock-Up Agreement (the "Lock-Up Agreement").

The Lock-Up Agreement contains certain restrictions on transfer with respect to securities of Complete Solaria to be held by the Sponsor, Sponsor Key Holders and Complete Solaria Key Holders immediately following the Closing (including shares of Complete Solaria common stock and any such shares issuable upon the exercise, conversion or settlement of derivative securities and promissory notes). Such restrictions begin at the Closing and end on the earlier of (x) the 12 month anniversary of the Closing and (y) the date on which the volume weighted average price of Complete Solaria common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30 consecutive trading day period beginning after the date that is 180 calendar days after the Closing and ending 365 calendar days following the Closing.

Except as specifically discussed, this Annual Report does not assume the closing of the Business Combination and related transactions.

Initial Business Combination

The rules of the NYSE require and our amended and restated memorandum and articles of association provide that we must consummate an initial business combination with one or more operating businesses or assets with a fair market value equal to at least 80% of the net assets held in the trust account (excluding the amount of any deferred underwriting commission held in trust) as determined at the time of our signing a definitive agreement in connection with our initial business combination. This is the case with respect to the proposed Business Combination with Complete Solaria. If we do not complete the proposed Business Combination with Complete Solaria, and instead pursue an alternative business combination and our board of directors is not able to independently determine the fair market value of our initial business combination (including with the assistance of financial advisors), we will obtain an opinion from an independent investment banking firm or a valuation or appraisal firm with respect to the satisfaction of such criteria. While we consider it likely that our board of directors will be able to make an independent determination of the fair market value of our initial business combination, it may be unable to do so if it is less familiar or experienced with the business of a particular target or if there is a significant amount of uncertainty as to the value of the target's assets or prospects. In addition, we have agreed not to enter into a definitive agreement regarding an initial business combination without the prior written consent of NextG. NextG has consented to our proposed Business Combination with Complete Solaria.

Our proposed Business Combination with Complete Solaria is structured so that the post-transaction company will own all of the equity interests of Complete Solaria. If we do not complete the proposed Business Combination and pursue an alternative initial business combination, we may structure it similarly or we may structure it such that the post-transaction company owns or acquires less than service, 100% of the equity interests or assets ITCs will be recaptured. The recapture percentage is reduced 20% for each subsequent year. Historically, we have utilized the ITC when available for both residential and commercial leases and power purchase agreements, based on ownership of the target business solar energy system.

The Section 25D Credit available to a taxpayer is equal to the "applicable percentage" of expenditures for property that uses solar energy to generate electricity for use in order a dwelling unit used as a residence by the taxpayer. The applicable percentage is 26% for such systems that are placed in service before January 1, 2022, 30% for such systems that are placed in service after December 31, 2021 and before January 1, 2033, 26% for such systems that are placed in service in 2033, and 22% for such systems that are placed in service in 2034. The Section 25D Credit is scheduled to meet certain objectives expire effective January 1, 2035. Although it is unlikely that Complete Solaria would qualify for the Section 25D Credit, the availability of the target management team Section 25D Credit may impact the prices of its solar energy systems.

Reductions in, eliminations of, or shareholders or for other reasons, but expirations of, governmental incentives could adversely impact results of operations and ability to compete in this industry by increasing the cost of capital, causing us to increase the prices of our energy and solar energy systems and reduce the size of our addressable market.

We are an "emerging growth company" and a "smaller reporting company" and we will only complete such business combination cannot be certain if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target business sufficient for it not reduced reporting requirements applicable to be required these companies will make our common stock less attractive to register as an investment company under the Investment Company Act of 1940, as amended, or the Investment Company Act. Even if the post-transaction company owns or acquires 50% or more of the voting securities of the target, our shareholders prior to the business combination may collectively own a minority interest in the post-business combination company, depending on valuations ascribed to the target and us in the business combination. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of the outstanding capital stock, shares or other equity interests of a target, or issue a substantial number of new shares to third parties in connection with financing our initial business combination. In this case, we would acquire a 100% controlling interest in the target. However, as a result of the issuance of a substantial number of new shares, our shareholders immediately prior to our initial business combination could own less than a majority of our issued and outstanding shares subsequent to our initial business combination. If less than 100% of the outstanding equity interests or assets of a target business or businesses are owned or acquired by the post-transaction company, the portion of such business or businesses that is owned or acquired is what will be taken into account for purposes of the 80% of net assets test described above. If the business combination involves more than one target business, the 80% of net assets test will be based on the aggregate value of all of the target businesses. investors.

Corporate Information

Our executive offices are located at 14 Wall Street, 20th Floor, New York, 10005, and our telephone number is (212) 618-1798. Our corporate website address is freedomac1.com. Our website and the information contained on, or that can be accessed through, the website is not deemed to be incorporated by reference in, and is not considered part of, this Annual Report.

We are a Cayman Islands exempted company. Exempted companies are Cayman Islands companies conducting business mainly outside the Cayman Islands and, as such, are exempted from complying with certain provisions of the Companies Act. As an exempted company, we have received a tax exemption undertaking from the Cayman Islands government that, in accordance with Section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations will apply to us or our operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax will be payable (i) on or in respect of our shares, debentures or other obligations or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by us to our shareholders or a payment of principal or interest or other sums due under a debenture or other obligation of us.

We are an "emerging growth company," as defined in Section 2(a) of the Securities Act of 1933, as amended (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") (JOBS Act). As such, For as long as we are eligible continue to be an emerging growth company, we intend to take advantage of certain exemptions from various reporting requirements that are applicable apply to other public companies that are not "emerging emerging growth companies" companies, including:

- being permitted to provide only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in our periodic reports;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (the "PCAOB")regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards and, therefore, will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, our financial statements may be different from companies that comply with the new or revised accounting pronouncements as of public company effective dates.

We will remain an emerging growth company until the earliest to occur of: (1) the last day of the fiscal year in which we have at least $1.235 billion in total annual gross revenues; (2) the date we qualify as a “large accelerated filer,” with at least $700.0 million of equity securities held by non-affiliates; (3) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period; and (4) the last day of the fiscal year ending after the fifth anniversary of our IPO.

Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company,” as defined in the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would allow us to continue to take advantage of many of the same exemptions from disclosure requirements, including but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote statements.

We cannot predict if investors will find our securities less attractive because we may rely on executive compensation and shareholder approval of any golden parachute payments not previously approved. these exemptions. If some investors find our securities common stock less attractive as a result, there may be a less active trading market for our securities and the prices trading price of our securities may be more volatile.

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

The market for electric generation products is heavily influenced by federal, state and local government laws, regulations and policies concerning the electric utility industry in the U.S. and abroad, as well as policies promulgated by electric utilities. These regulations and policies often relate to electricity pricing and technical interconnection of customer-owned electricity generation, and changes that make solar power less competitive with other power sources could deter investment in the research and development of alternative energy sources as well as customer purchases of solar power technology, which could in turn result in a significant reduction in the demand for our solar power products. The market for electric generation equipment is also influenced by trade and local content laws, regulations and policies that can discourage growth and competition in the solar industry and create economic barriers to the purchase of solar power products, thus reducing demand for our solar products. In addition, Section 107 on-grid applications depend on access to the grid, which is also regulated by government entities. We anticipate that our solar power products and our installation will continue to be subject to oversight and regulation in accordance with federal, state, local and foreign regulations relating to construction, safety, environmental protection, utility interconnection and metering, trade, and related matters. It is difficult to track the requirements of individual states or local jurisdictions and design equipment to comply with the varying standards. In addition, the U.S. and European Union, among others, have imposed tariffs or are in the process of evaluating the imposition of tariffs on solar panels, solar cells, polysilicon, and potentially other components. These and any other tariffs or similar taxes or duties may increase the price of our solar products and adversely affect our cost reduction roadmap, which could harm our results of operations and financial condition. Any new regulations or policies pertaining our solar power products may result in significant additional expenses for our customers, which could cause a significant reduction in demand for our solar power products.

We rely on net metering and related policies to offer competitive pricing to customers in many of our current markets and changes to net metering policies may significantly reduce demand for electricity from residential solar energy systems.

Net metering is one of several key policies that have enabled the growth of distributed generation solar energy systems in the U.S., providing significant value to customers for electricity generated by their residential solar energy systems but not directly consumed on-site. Net metering allows a homeowner to pay his or her local electric utility for power usage net of production from the solar energy system or other distributed generation source. Homeowners receive a credit for the energy an interconnected solar energy system generates in excess of that needed by the home to offset energy purchases from the centralized utility made at times when the solar energy system is not generating sufficient energy to meet the customer’s demand. In many markets, this credit is equal to the residential retail rate for electricity and in other markets, such as Hawaii and Nevada, the rate is less than the retail rate and may be set, for example, as a percentage of the JOBS Act also provides that an “emerging growth company” can take advantage retail rate or based upon a valuation of the extended transition period provided in Section 7(a)(2)(B) of excess electricity. In some states and utility territories, customers are also reimbursed by the Securities Act centralized electric utility for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We intend to take advantage of the benefits of this extended transition period. net excess generation on a periodic basis.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we Net metering programs have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A ordinary shares that are held by non-affiliates exceeds $700 million as of the prior June 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. References herein to "emerging growth company" will have the meaning associated with it in the JOBS Act.

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our ordinary shares held by non-affiliates did not exceed $250 million as of the prior June 30, or (2) our annual revenues did not exceed $100 million during such completed fiscal year and the market value of our ordinary shares held by non-affiliates did not exceed $700 million as of the prior June 30.

Effecting Our Initial Business Combination

On October 3, 2022, we entered into a Business Combination Agreement to consummate a proposed Business Combination with Complete Solaria, as described under "— The Proposed Business Combination." If the proposed Business Combination with Complete Solaria is not consummated, we may seek to effectuate a business combination with another target business, as described below.

General

We are not presently engaged in, and we will not engage in, any operations for an indefinite period of time following our initial public offering. We intend to effectuate our initial business combination using cash from the proceeds of our initial public offering and the sale of the private placement warrants, the proceeds of the sale of our shares in connection with our initial business combination (pursuant to forward purchase agreements or backstop agreements we may enter into), shares issued to the owners of the target, debt issued to bank or other lenders or the owners of the target, or a combination of the foregoing. We may seek to complete our initial business combination with a company or business that may be financially unstable or in its early stages of development or growth, which would subject us to the numerous risks inherent in such companies and businesses.

If our initial business combination is paid for using equity or debt, or not all of the funds released from the trust account are used for payment of the consideration in connection with our initial business combination or used for redemptions of our Class A ordinary shares, we may use the balance of the cash released to us from the trust account following the closing for general corporate purposes, including for maintenance or expansion of operations of the post-transaction company, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, to fund the purchase of other companies or for working capital.

Sources of Target Businesses

We anticipate that target business candidates will be brought to our attention from various unaffiliated sources, including investment bankers and private investment funds. Target businesses may be brought to our attention by such unaffiliated sources as a result of being solicited through calls or mailings. These sources may also introduce us to target businesses in which they think we may be interested on an unsolicited basis, since many of these sources will know what types of businesses we are targeting. Our officers and directors, as well as their affiliates, may also bring to our attention target business candidates of which they become aware through their business contacts as a result of formal or informal inquiries or discussions they may have, as well as attending trade shows or conventions. In addition, we expect to receive a number of proprietary deal flow opportunities that would not otherwise necessarily be available to us as a result of the track record and business relationships of our officers and directors. While we do not presently anticipate engaging the services of professional firms or other individuals that specialize in business acquisitions on any formal basis, we may engage these firms or other individuals in the future, in which event we may pay a finder's fee, consulting fee or other compensation to be determined in an arm's length negotiation based on the terms of the transaction. We will engage a finder only to the extent our management determines that the use of a finder may bring opportunities to us that may not otherwise be available to us or if finders approach us on an unsolicited basis with a potential transaction that our management determines is in our best interest to pursue. Payment of a finder's fee is customarily tied to completion of a transaction, in which case any such fee will be paid out of the funds held in the trust account. In no event, however, will our sponsor or any of our existing officers or directors, or any entity with which they are affiliated, be paid any finder's fee, consulting fee or other compensation by the company prior to, or for any services they render in order to effectuate, the completion of our initial business combination (regardless of the type of transaction that it is).

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our sponsor, officers or directors, or completing the business combination through a joint venture or other form of shared ownership with our sponsor, officers or directors. In the event we seek to complete an initial business combination with a target that is affiliated with our sponsor, officers or directors, a committee of independent and disinterested directors would consider, review and approve the transaction. Additionally, we, or a committee of independent and disinterested directors, would obtain an opinion from an independent investment banking firm or a valuation or appraisal firm that such an initial business combination is fair to our company from a financial point of view. We are not required to obtain such an opinion in any other context.

Evaluation of a Target Business and Structuring of Our Initial Business Combination

In evaluating a prospective target business, we expect to conduct a due diligence review which may encompass, among other things, meetings with incumbent management and employees, document reviews, interviews of customers and suppliers, inspection of facilities, as applicable, as well as a review of financial, operational, legal and other information which will be made available to us. If we determine to move forward with a particular target, we will proceed to structure and negotiate the terms of the business combination transaction.

The time required to select and evaluate a target business and to structure and complete our initial business combination, and the costs associated with this process, are not currently ascertainable with any degree of certainty. Any costs incurred with respect to the identification and evaluation of, and negotiation with, a prospective target business with which our initial business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another business combination. The company will not pay any consulting fees to members of our management team, or any of their respective affiliates, for services rendered to or in connection with our initial business combination.

In addition, we have agreed not to enter into a definitive agreement regarding an initial business combination without the prior written consent of NextG. NextG has consented to our proposed Business Combination with Complete Solaria.

Lack of Business Diversification

For an indefinite period of time after the completion of our initial business combination, the prospects for our success may depend entirely on the future performance of a single business. Unlike other entities that have the resources to complete business combinations with multiple entities in one or several industries, it is probable that we will not have the resources to diversify our operations and mitigate the risks of being in a single line of business. By completing our initial business combination with only a single entity, our lack of diversification may:

- subject us to negative economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact on the particular industry in which we operate after our initial business combination, and
- cause us to depend on the marketing and sale of a single product or limited number of products or services.

Redemption Rights for Public Shareholders upon Completion of Our Initial Business Combination

We will provide our public shareholders with the opportunity to redeem all or a portion of their Class A ordinary shares upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account calculated as of two business days prior to the consummation of our initial business combination, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares, been subject to the limitations legislative and on the conditions described herein. At the completion of our initial business combination, we will be required to purchase any ordinary shares properly delivered for redemption regulatory scrutiny in some states and not withdrawn. The amount in the trust account is initially anticipated to be $10.00 per public share. The per-share amount we will distribute to investors who properly redeem their shares will not be reduced by the deferred underwriting commissions we will pay to the underwriters. There will be no redemption rights upon the completion of our initial business combination with respect to our warrants. Our initial shareholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to any founder shares and public shares held by them in connection with the completion of our initial business combination.

Limitations on Redemptions

Our amended and restated memorandum and articles of association provide that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. In addition, our proposed initial business combination may impose a minimum cash requirement for (i) cash consideration to be paid to the target or its owners, (ii) cash for working capital or other general corporate purposes or (iii) the retention of cash to satisfy other conditions. In the event the aggregate cash consideration we would be required to pay for all Class A ordinary shares that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed initial business combination exceed the aggregate amount of cash available to us, we will not complete the initial business combination or redeem any shares, and all Class A ordinary shares submitted for redemption will be returned to the holders thereof. We may, however, raise funds through the issuance of equity or equity-linked securities or through loans, advances or other indebtedness in connection with our initial business combination, including pursuant to forward purchase agreements or backstop arrangements we may enter into, in order to, among other reasons, satisfy such net tangible assets or minimum cash requirements.

Manner of Conducting Redemptions

We will provide our public shareholders with the opportunity to redeem all or a portion of their Class A ordinary shares upon the completion of our initial business combination either (i) in connection with a general meeting called to approve the initial business combination or (ii) without a shareholder vote by means of a tender offer. The decision as to whether we will seek shareholder approval of a proposed initial business combination or conduct a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would require us to seek shareholder approval under applicable law or stock exchange listing requirement or whether we were deemed to be a foreign private issuer. Asset acquisitions and share purchases would not typically require shareholder approval while direct mergers with our company and any transactions where we issue more than 20% of our issued and outstanding ordinary shares or seek to amend our amended and restated memorandum and articles of association would typically require shareholder approval. So long as we obtain and maintain a listing for our securities on the NYSE, we will be required to comply with the NYSE's shareholder approval rules.

The requirement that we provide our public shareholders with the opportunity to redeem their public shares by one of the two methods listed above is contained in provisions of our amended and restated memorandum and articles of association and will apply whether or not we maintain our registration under the Exchange Act or our listing on the NYSE. Such provisions may be amended if approved by holders of two-thirds of our ordinary shares entitled to vote thereon, so long as we offer redemption in connection with such amendment.

If we provide our public shareholders with the opportunity to redeem their public shares in connection with a general meeting, we will, pursuant to our amended and restated memorandum and articles of association:

- conduct the redemptions in conjunction with a proxy solicitation pursuant to Regulation 14A of the Exchange Act, which regulates the solicitation of proxies, and not pursuant to the tender offer rules, and
- file proxy materials with the SEC.

In the event that we seek shareholder approval of our initial business combination, we will distribute proxy materials and, in connection therewith, provide our public shareholders with the redemption rights described above.

If we seek shareholder approval, we will complete our initial business combination only if we receive an ordinary resolution under Cayman Islands law, which requires the affirmative vote of a majority of the shareholders who attend and vote at a general meeting of the company. A quorum for such meeting will be present if the holders of a majority of issued and outstanding shares entitled to vote at the meeting are represented in person or by proxy. Our initial shareholders, sponsor, officers and directors will count toward this quorum and, pursuant to the letter agreement, our initial shareholders, sponsor, officers and directors have agreed to vote any founder shares and public shares held by them in favor of our initial business combination. For purposes of seeking approval of an ordinary resolution, non-votes will have no effect on the approval of our initial business combination once a quorum is obtained. These quorum and voting thresholds, and the voting agreement of our initial shareholders, officers and directors, may make it more likely that we will consummate our initial business combination. Each public shareholder may elect to redeem their public shares without voting and, if they do vote, irrespective of whether they vote for or against the proposed transaction.

If a shareholder vote is not required and we do not decide to hold a shareholder vote for business or other reasons, we will:

- conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers, and
- file tender offer documents with the SEC prior to completing our initial business combination which contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies.

In the event we conduct redemptions pursuant to the tender offer rules, our offer to redeem will remain open for at least 20 business days, in accordance with Rule 14e-1(a) under the Exchange Act, and we will not be permitted to complete our initial business combination until the expiration of the tender offer period. In addition, the tender offer will be conditioned on public shareholders not tendering more than the number of public shares we are permitted to redeem. If public shareholders tender more shares than we have offered to purchase, we will withdraw the tender offer and not complete the initial business combination.

Upon the public announcement of our initial business combination, if we elect to conduct redemptions pursuant to the tender offer rules, we and our sponsor will terminate any plan established in accordance with Rule 10b5-1 to purchase our Class A ordinary shares in the open market, in order to comply with Rule 14e-5 under the Exchange Act.

We intend to require our public shareholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in “street name,” to, at the holder’s option, either deliver their share certificates to our transfer agent or deliver their shares to our transfer agent electronically using The Depository Trust Company’s DWAC (Deposit/Withdrawal At Custodian) system, prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, this date may be up to two business days prior to the scheduled vote on the proposal to approve the initial business combination. In addition, if we conduct redemptions in connection with a shareholder vote, we intend to require a public shareholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the scheduled vote in which the name of the beneficial owner of such shares is included. The proxy materials or tender offer documents, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public shareholders to satisfy such delivery requirements. We believe that this will allow our transfer agent to efficiently process any redemptions without the need for further communication or action from the redeeming public shareholders, which could delay redemptions and result in additional administrative cost. If the proposed initial business combination is not approved and we continue to search for a target company, we will promptly return any certificates or shares delivered by public shareholders who elected to redeem their shares.

Our amended and restated memorandum and articles of association provide that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. In addition, our proposed initial business combination may impose a minimum cash requirement for (i) cash consideration to be paid to the target or its owners, (ii) cash for working capital or other general corporate purposes or (iii) the retention of cash to satisfy other conditions. In the event the aggregate cash consideration we would be required to pay for all Class A ordinary shares that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed initial business combination exceed the aggregate amount of cash available to us, we will not complete the initial business combination or redeem any shares, and all Class A ordinary shares submitted for redemption will be returned to the holders thereof.

Limitation on Redemption upon Completion of Our Initial Business Combination If We Seek Shareholder Approval

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated memorandum and articles of association provide that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the shares sold in our initial public offering (the "Excess Shares") without our prior consent. We believe this restriction will discourage shareholders from accumulating large blocks of shares, and subsequent attempts by such holders to use their ability to redeem their shares as a means to force us, our sponsor or our management to purchase their shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a public shareholder holding more than an aggregate of 15% of the shares sold in our initial public offering could threaten to exercise its redemption rights if such holder's shares are not purchased by us, our sponsor or our management at a premium to the then-current market price or on other undesirable terms. By limiting our shareholders' ability to redeem to no more than 15% of the shares sold in our initial public offering, we believe we will limit the ability of a small group of shareholders to unreasonably attempt to block our ability to complete our initial business combination, particularly in connection with a business combination with a target that requires as a closing condition that we have a minimum net worth or a certain amount of cash.

However, we would not be restricting our shareholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination.

Delivering Share Certificates in Connection with the Exercise of Redemption Rights

As described above, we intend to require our public shareholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in "street name," to, at the holder's option, either deliver their share certificates to our transfer agent or deliver their shares to our transfer agent electronically using The Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) system, prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, this date may be up to two business days prior to the scheduled vote on the proposal to approve the initial business combination. In addition, if we conduct redemptions in connection with a shareholder vote, we intend to require a public shareholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the scheduled vote in which the name of the beneficial owner of such shares is included. The proxy materials or tender offer documents, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public shareholders to satisfy such delivery requirements. Accordingly, a public shareholder would have up to two business days prior to the scheduled vote on the initial business combination if we distribute proxy materials, or from the time we send out our tender offer materials until the close of the tender offer period, as applicable, to submit or tender its shares if it wishes to seek to exercise its redemption rights. In the event that a shareholder fails to comply with these or any other procedures disclosed in the proxy or tender offer materials, as applicable, its shares may not be redeemed. Given the relatively short exercise period, it is advisable for shareholders to use electronic delivery of their public shares.

There is a nominal cost associated with the above-referenced process and the act of certificating the shares or delivering them through the DWAC system. The transfer agent will typically charge the broker submitting or tendering shares a fee of approximately $80.00 and it would be up to the broker whether or not to pass this cost on to the redeeming holder. However, this fee would be incurred regardless of whether or not we require holders seeking to exercise redemption rights to submit or tender their shares. The need to deliver shares is a requirement of exercising redemption rights regardless of the timing of when such delivery must be effectuated.

Any request to redeem such shares, once made, may be withdrawn at any time up to the date set forth in the proxy materials or tender offer documents, as applicable (unless we elect to allow additional withdrawal rights). Furthermore, if a holder of a public share delivered its certificate in connection with an election of redemption rights and subsequently decides prior to the applicable date not to elect to exercise such rights, such holder may simply request that the transfer agent return the certificate (physically or electronically). It is anticipated that the funds to be distributed to holders of our public shares electing to redeem their shares will be distributed promptly after the completion of our initial business combination.

If our initial business combination is not approved or completed for any reason, then our public shareholders who elected to exercise their redemption rights would not be entitled to redeem their shares for the applicable pro rata share of the trust account. In such case, we will promptly return any certificates delivered by public holders who elected to redeem their shares.

Redemption of Public Shares and Liquidation if No Initial Business Combination

If we have not completed our initial business combination during the Extension Period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (less taxes payable and up to $100,000 of interest income to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, liquidate and dissolve, subject, in each case, to our obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete our initial business combination during the Extension Period.

Our initial shareholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have waived their rights to liquidating distributions from the trust account with respect to any founder shares held by them if we fail to complete our initial business combination during the Extension Period. However, if our sponsor or management team acquire public shares, they will be entitled to liquidating distributions from the trust account with respect to such public shares if we fail to complete our initial business combination during the Extension Period.

Our initial shareholders, sponsor, officers and directors have agreed, pursuant to a written agreement with us, that they will not propose any amendment to our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity, unless we provide our public shareholders with the opportunity to redeem their public shares upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares. However, we may not redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. If this optional redemption right is exercised with respect to an excessive number of public shares such that we cannot satisfy the net tangible asset requirement, we would not proceed with the amendment or the related redemption of our public shares at such time.

We expect that all costs and expenses associated with implementing our plan of dissolution, as well as payments to any creditors, will be funded from amounts held outside the trust account, although we cannot assure you that there will be sufficient funds for such purpose. However, if those funds are not sufficient to cover the costs and expenses associated with implementing our plan of dissolution, to the extent that there is any interest accrued in the trust account not required to pay income taxes on interest income earned on the trust account balance, we may request the trustee to release to us an additional amount of up to $100,000 of such accrued interest income to pay those costs and expenses.

If we were to expend all of the net proceeds of our initial public offering and the sale of the private placement warrants, other than the proceeds deposited in the trust account, and without taking into account interest, if any, earned on the trust account, the per-share redemption amount received by shareholders upon our dissolution would be approximately $10.00. The funds deposited in the trust account could, however, become subject to the claims of our creditors, which would have higher priority than the claims of our public shareholders. We cannot assure you that the actual per-share redemption amount received by shareholders will not be substantially less than $10.00. While we intend to pay such amounts, if any, we cannot assure you that we will have funds sufficient to pay or provide for all creditors' claims.

Although we will seek to have all vendors, service providers, prospective target businesses and other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public shareholders, there is no guarantee that they will execute such agreements or even if they execute such agreements that they would be prevented from bringing claims against the trust account territories including, but not limited to, fraudulent inducement, breach California, New Jersey, Arizona, Nevada, Connecticut, Florida, Maine, Kentucky, Puerto Rico and Guam. These jurisdictions, by statute, regulation, administrative order or a combination thereof, have recently adopted or are considering new restrictions and additional changes to net metering programs either on a state-wide basis or within specific utility territories. Many of fiduciary responsibility these measures were introduced and supported by centralized electric utilities. These measures vary by jurisdiction and may include a reduction in the rates or other similar claims, value of the credits customers are paid or receive for the power they deliver back to the electrical grid, caps or limits on the aggregate installed capacity of generation in a state or utility territory eligible for net metering, expiration dates for and phasing out of net metering programs, replacement of net metering programs with alternative programs that may provide less compensation and limits on the capacity size of individual distributed generation systems that can qualify for net metering. Net metering and related policies concerning distributed generation also received attention from federal legislators and regulators.

In California, the California Public Utilities Commission ("**CPUC**") issued an order in 2016 retaining retail-based net metering credits for residential customers of California's major utilities as part of Net Energy Metering 2.0 ("**NEM 2.0**"). Under NEM 2.0, new distributed generation customers receive the retail rate for electricity exported to the grid, less certain non-bypassable fees. Customers under NEM 2.0 also are subject to interconnection charges and time-of-use rates. Existing customers who receive service under the prior net metering program, as well as claims challenging new customers under the enforceability NEM 2.0 program, currently are permitted to remain covered by them on a legacy basis for a period of 20 years. On September 3, 2020, the waiver, in each case in order CPUC opened a new proceeding to gain an advantage review its current net metering policies and to develop Net Energy Metering 3.0 ("**NEM 3.0**"), also referred to by the CPUC as the NEM 2.0 successor tariff. NEM 3.0 was finalized on December 15, 2022 and will include several changes from previous net metering plans. There will be changes that impact the amount that homeowners with respect solar power will be able to a claim against our assets, including the funds held in the trust account. If any third party refuses to execute an agreement waiving such claims recuperate when selling excess energy back to the monies held in the trust account, our management will consider whether competitive alternatives are reasonably available to us and will only enter into an agreement with such third party if management believes that such third party's engagement would be in the best interests of the company under the circumstances. Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third-party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. Marcum LLP, our independent registered public accounting firm, and the underwriters of our initial public offering will not execute agreements with us waiving such claims to the monies held in the trust account. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. In order to protect the amounts held in the trust account, our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party (other than Marcum LLP, our independent registered public accounting firm) for services rendered or products sold to us, or a prospective target business with which we have entered into a written letter of intent, confidentiality or other similar agreement or business combination agreement, reduce the amount of funds in the trust account to below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account, if less than $10.00 per public share due to reductions in utility grid. With NEM 3.0, the value of the trust assets, in each case less taxes payable, provided that such liability credits for net exports will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights be tied to the monies held in state's 2022 Distributed Energy Resources Avoided Cost Calculator Documentation ("**ACC**"). Another significant change with NEM 3.0 will be applied to the trust account (whether netting period: the time period over which the utilities measure the clean energy being imported or not such waiver is enforceable) nor exported. In general, longer netting periods have typically been advantageous for solar power customers because production can offset any consumption. NEM 3.0 will it apply instead measure energy using instantaneous netting, which means interval netting approximately every 15 minutes. This will lead to any claims under our indemnity more NEM customers' electricity registering as exports, now valued at the new, lower ACC value.

We utilize a limited number of the underwriters suppliers of our initial public offering against certain liabilities, including liabilities under the Securities Act. However, we have not asked our sponsor solar panels and other system components to reserve for such indemnification obligations, nor have we independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations and we believe that our sponsor's only assets are securities of our company. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the trust account, the funds available adequately meet anticipated demand for our initial business combination solar service offerings. Any shortage, delay or component price change from these suppliers or delays and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers or directors will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

In the event that the funds in the trust account are reduced below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account if less than $10.00 per public share due to reductions in the value of the trust assets, in each case less taxes payable, and our sponsor asserts that it is unable to satisfy its indemnification obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors, in exercising their business judgment, may choose not to do so in any particular instance if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. Accordingly, we cannot assure you that due to claims of creditors the actual value of the per-share redemption price will not be substantially less than $10.00 per share.

We will seek to reduce the possibility that our sponsor will have to indemnify the trust account due to claims of creditors by endeavoring to have all vendors, service providers, prospective target businesses and other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to monies held in the trust account. Our sponsor will also not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. In the event that we liquidate and it is subsequently determined that the reserve for claims and liabilities is insufficient, shareholders who received funds from our trust account could be liable for claims made by creditors.

If we file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us that is not dismissed, the funds held in the trust account could be subject to applicable bankruptcy or insolvency law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our shareholders. To the extent any bankruptcy claims deplete the trust account, we cannot assure you we will be able to return $10.00 per share to our public shareholders. Additionally, if we file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us that is not dismissed, any distributions received by shareholders could be viewed under applicable debtor/creditor and/or bankruptcy or insolvency laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy or insolvency court could seek to recover some or all amounts received by our shareholders. Furthermore, our board of directors may be viewed as having breached its fiduciary duty to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public shareholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

Our public shareholders will be entitled to receive funds from the trust account only (i) in the event of the redemption of our public shares if we do not complete our initial business combination during the Extension Period, (ii) in connection with a shareholder vote to amend our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity or (iii) if they redeem their respective shares for cash upon the completion of our initial business combination. In no other circumstances will a shareholder have any right or interest of any kind to or in the trust account. In the event we seek shareholder approval in connection with our initial business combination, a shareholder's voting in connection increases associated with the business combination alone will not product transport logistics could result in a shareholder's redeeming its shares to us for an applicable pro rata share sales and installation delays, cancellations and loss of the trust account. Such shareholder must have also exercised its redemption rights described above. These provisions of our amended and restated memorandum and articles of association, like all provisions of our amended and restated memorandum and articles of association, may be amended with a shareholder vote.market share.

Conflicts of Interest

Each of our officers and directors presently has, and any of them in the future may have additional, fiduciary or contractual obligations to another entity pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity, subject to their fiduciary duties under Cayman Islands law. Our amended and restated memorandum and articles of association provide that, to the fullest extent permitted by applicable law: (i) no individual serving as a director or an officer shall have any duty, except and to the extent expressly assumed by contract, to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as us; and (ii) we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for any director or officer on the one hand, and us, on the other. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors will materially affect our ability to complete our initial business combination.

Facilities

We currently utilize office space at 14 Wall Street, 20th Floor, New York, 10005. We consider our current office space adequate for our current operations.

Employees

We currently have one officer, Adam Gishen. Mr. Gishen and any additional officers that may be appointed are not obligated to devote any specific number of hours to our matters but they intend to devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination. The amount of time they will devote in any time period will vary based on whether a target business has been selected for our initial business combination and the stage of the business combination process we are in. We have engaged certain employees and advisors to assist us with the completion of our initial business combination.

Item 1A. Risk Factors

An investment in our securities involves We purchase solar panels, inverters and other system components from a high degree limited number of risk. You should consider carefully all of the risks described below, together with the other information contained in this Annual Report, before making a decision suppliers, which makes us susceptible to invest in our securities. If any of the following events occur, our business, financial condition quality issues, shortages and operating results may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment.

Risks Associated with the Business Combination Agreement

We may not be able to complete the proposed Business Combination with Complete Solaria. If we are unable to do so, we will incur substantial costs associated with withdrawing from the transaction and may not be able to find additional sources of financing to cover those costs.

In connection with the Business Combination Agreement, we have incurred substantial costs researching, planning and negotiating the transaction. These costs include, but are not limited to, costs associated with securing sources of debt financing, costs associated with employing and retaining third-party advisors who performed the financial, auditing and legal services required to complete the transaction, and the expenses generated by our officers, executives, managers and employees in connection with the transaction. If, for whatever reason, the transactions contemplated by the Business Combination Agreement fail to close, we will be responsible for these costs, but will have no source of revenue with which to pay them. We may need to obtain additional sources of financing in order to meet our obligations, which we may not be able to secure on the same terms as our existing financing or at all. If we are unable to secure new sources of financing and do not have sufficient funds to meet our obligations, we will be forced to cease operations and liquidate the trust account.

If the proposed Business Combination with Complete Solaria fails, it may be difficult to complete a business combination with a new prospective target business, negotiate and agree to a new business combination, and/or arrange for new sources of financing by the end of the Extension Period, in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate.

Finding, researching, analyzing and negotiating with Complete Solaria took a substantial amount of time and effort, and if the proposed Business Combination with Complete Solaria fails for any reason, we may not be able to find, research, negotiate and agree to terms with, and/or arrange for new sources of financing for a business combination with, a new prospective target business during the Extension Period, in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate.

Risks Associated with Our Business Strategy and Business Combination

We are a blank check company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.

We are a blank check company incorporated under the laws of the Cayman Islands and all of our activities to date have been related to our formation, our initial public offering and our search for a business combination target. Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objective of completing our initial business combination. changes. If we fail to complete develop, maintain and expand relationships with existing or new suppliers, we may be unable to adequately meet anticipated demand for our initial business combination, we will never generate any operating revenues.

Past performance by our management team, directors, advisors and their respective affiliates, including investments and transactions in which they have participated and businesses with which they have been associated, solar energy systems or may not be indicative of future performance of an investment in the Company.

Information regarding our management team, directors, advisors and their respective affiliates, including investments and transactions in which they have participated and businesses with which they have been associated, is presented for informational purposes only. Not all of the businesses in which our management team directors, advisors or their respective affiliates have invested have achieved the same level of value creation. Any past experience and performance by our management team, directors, advisors and their respective affiliates and the businesses with which they have been associated, is not a guarantee that we will only be able to successfully complete offer our initial business combination, that we will be able to provide positive returns to our shareholders, systems at higher costs or of any results with respect to any initial business combination we may consummate. You should not rely on the historical experiences of our management team directors, advisors and their respective affiliates, including investments and transactions in which they have participated and businesses with which they have been associated, as indicative of the future performance of an investment in us or as indicative of every prior investment by each of the members of our management team directors, advisors or their respective affiliates. The market price of our securities may be influenced by numerous factors, many of which are beyond our control, and our shareholders may experience losses on their investment in our securities.

We may seek business combination opportunities in industries or sectors that may be outside of our management's areas of expertise.

We will consider a business combination outside of our management's areas of expertise if a business combination candidate is presented to us and we determine that such candidate offers an attractive business combination opportunity for our company. Although our management will endeavor to evaluate the risks inherent in any particular business combination candidate, we cannot assure you that we will adequately ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our securities will not ultimately prove to be less favorable to investors than a direct investment, if an opportunity were available, in a business combination candidate. In the event we elect to pursue a business combination outside of the areas of our management's expertise, our management's expertise may not be directly applicable to its evaluation or operation, and the information contained in this Annual Report regarding the areas of our management's expertise would not be relevant to an understanding of the business that we elect to acquire. As a result, our management may not be able to ascertain or assess adequately all of the relevant risk factors. Accordingly, any shareholders or warrant holders who choose to remain shareholders or warrant holders following the business combination could suffer a reduction in the value of their securities. Such shareholders or warrant holders are unlikely to have a remedy for such reduction in value.

Although we have identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into our initial business combination with a target that does not meet such criteria and guidelines, and as a result, the target business with which we enter into our initial business combination may not have attributes entirely consistent with our general criteria and guidelines.

Although we have identified general criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which we enter into our initial business combination will not have all of these positive attributes, after delays. If we complete our initial business combination with a target that does not meet some or all of these criteria and guidelines, such combination may not be as successful as a combination with a business that does meet all of our general criteria and guidelines. In addition, if we announce a prospective business combination with a target that does not meet our general criteria and guidelines, a greater number of shareholders may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash. In addition, if shareholder approval of the transaction is required by applicable law, or we decide to obtain shareholder approval for business or other reasons, it may be more difficult for us to attain shareholder approval of our initial business combination if the target business does not meet our general criteria and guidelines. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.

Unless we complete our initial business combination with an affiliated entity, we are not required to obtain an opinion regarding fairness, and consequently, you may have no assurance from an independent source that the price we are paying for the business is fair to our shareholders from a financial point of view.

Unless we complete our initial business combination with an affiliated entity, we are not required to obtain an opinion that such an initial business combination is fair to our company from a financial point of view. While we have obtained a fairness opinion with respect to the proposed Business Combination with Complete Solaria, if the transaction is not consummated and we seek to effectuate a business combination with another target and no opinion is obtained, our shareholders will be relying on the judgment of our board of directors, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our proxy materials or tender offer documents, as applicable, related to our initial business combination.

We have engaged or intend to engage one or more of the underwriters of our initial public offering suppliers that we rely upon to meet anticipated demand ceases or their affiliates to provide additional services to us, including to act as financial advisor in connection with an initial business combination or as placement agent in connection with a related financing transaction. The underwriters of our initial public offering are entitled to receive deferred commissions that will be released from the trust only on a completion of an initial business combination. These financial incentives may cause the underwriters to have potential conflicts of interest in rendering any such additional services to us, including, for example, in connection with the consummation of an initial business combination.

We have engaged or intend to engage one or more of the underwriters of our initial public offering or their affiliates to provide additional services to us, including, for example, identifying potential targets, providing financial advisory services, acting as a placement agent in a private offering or arranging debt financing. We will pay the underwriters or their affiliates fair and reasonable fees or other compensation that would be determined at that time in an arm's length negotiation. The underwriters are also entitled to receive deferred commissions that are conditioned on the completion of an initial business combination. The fact that the underwriters or their affiliates' financial interests are tied to the consummation of a business combination transaction may give rise to potential conflicts of interest in providing any such additional services to us, including potential conflicts of interest in connection with the consummation of an initial business combination.

We may seek acquisition opportunities with an early stage company, a financially unstable business or an entity lacking an established record of revenue or earnings.

To the extent we complete our initial business combination with an early stage company, a financially unstable business or an entity lacking an established record of sales or earnings, reduces production, we may be affected by numerous risks inherent in the operations unable to satisfy this demand due to an inability to quickly identify alternate suppliers or to qualify alternative products on commercially reasonable terms.

In particular, there are a limited number of the business inverter suppliers. Once we design a system for use with which we combine. These risks include investing in a business without a proven business model and with limited historical financial data, volatile revenues or earnings, intense competition and difficulties in obtaining and retaining key personnel. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, inverter, if that type of inverter is not readily available at an anticipated price, we may not be able incur additional delay and expense to properly ascertain or assess all redesign the system.

In addition, production of solar panels involves the use of numerous raw materials and components. Several of these have experienced periods of limited availability, particularly polysilicon, as well as indium, cadmium telluride, aluminum and copper. The manufacturing infrastructure for some of these raw materials and components has a long lead time, requires significant risk factors capital investment and relies on the continued availability of key commodity materials, potentially resulting in an inability to meet demand for these components. The prices for these raw materials and components fluctuate depending on global market conditions and demand and we may not have adequate time to complete due diligence. Furthermore, some experience rapid increases in costs or sustained periods of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. limited supplies.

We may attempt to complete our initial business combination with a private company about which little information is available, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

In pursuing our business combination strategy, we may seek to effectuate our initial business combination with a privately held company. Very little public information generally exists about private companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our shareholders' investment in us.

We may choose to incur substantial debt to complete our initial business combination. We have agreed that we will not incur any indebtedness unless we have obtained from the lender a waiver of any right, title, interest or claim of any kind in or to the monies held in the trust account. As such, no issuance of debt will affect the per-share amount available for redemption from the trust account.

Nevertheless, the incurrence of debt could have a variety of negative effects, including:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;

- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt is payable on demand;
- our ability to obtain such financing while the debt is outstanding;
- our inability to pay dividends on our Class A ordinary shares;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our Class A ordinary shares if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

Our search for a business combination, and any prospective partner business with which we ultimately consummate a business combination, may be materially adversely affected by the coronavirus (COVID-19) pandemic and other events and the status of debt and equity markets.

We may be unable to complete a business combination if concerns relating to COVID-19 continue to restrict travel, limit the ability to have meetings with potential investors or the prospective partner business's personnel, vendors and services providers are unavailable to negotiate and consummate a transaction in a timely manner. The extent to which COVID-19 impacts our search for a business combination will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19, the emergence of new COVID-19 variants and the actions to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 or other matters of global concern continue for an extensive period of time or other events (such as the ongoing military conflict between Russia and Ukraine, terrorist attacks, natural disasters or a significant outbreak of other infectious diseases) occur, our ability to consummate a business combination, or the operations of a prospective partner business with which we ultimately consummate a business combination, may be materially adversely affected. In addition, our ability to consummate a transaction may be dependent on the ability to raise equity and debt financing which may be impacted by COVID-19 and other events (such as terrorist attacks, natural disasters or a significant outbreak of other infectious diseases), including as a result of increased market volatility, decreased market liquidity and third-party financing being unavailable on terms acceptable to us or at all. Finally, the outbreak of COVID-19 may also have the effect of heightening many of the other risks described in this "Item 1A.-Risk Factors" section, such as those related to the market for our securities and cross-border transactions.

We may only be able to complete one business combination with the proceeds of our initial public offering and the sale of the private placement warrants, which will cause us to be solely dependent on a single business which may have a limited number of products or services. This lack of diversification may negatively impact our operations and profitability.

After giving effect to the redemption of 23,256,504 Class A ordinary shares in connection with the Extension Amendment, we have approximately $111,740,624 in our trust account that we may use to complete our initial business combination (after taking into account the $3,018,750 of deferred underwriting commissions being held in the trust account).

We may effectuate our initial business combination with a single target business or multiple target businesses simultaneously or within a short period of time. However, we may not be able to effectuate our initial business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be:

- solely dependent upon the performance of a single business, property or asset, or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory risks, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our initial business combination.

We may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our initial business combination and give rise to increased costs and risks that could negatively impact our operations and profitability.

If we determine to simultaneously acquire several businesses that are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete our initial business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, they could negatively impact our profitability and results of operations.

Our management may not be able to maintain control of a target business after our initial business combination. We cannot provide assurance that, upon loss of control of a target business, new management will possess the skills, qualifications or abilities necessary to profitably operate such business.

We may structure our initial business combination so that the post-business combination company in which our public shareholders own shares will own or acquire less than 100% of the outstanding equity interests or assets of a target business, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target business sufficient for us not to be required to register as an investment company under the Investment Company Act. We will not consider any transaction that does not meet such criteria. Even if the post-transaction company owns or acquires 50% or more of the voting securities of the target, our shareholders prior to the business combination may collectively own a minority interest in the post-business combination company, depending on valuations ascribed to the target and us in the business combination. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of the outstanding capital stock, shares or other equity interests of a target, or issue a substantial number of new shares to third-parties in connection with financing our initial business combination. In this case, we would acquire a 100% controlling interest in the target. However, as a result of the issuance of a substantial number of new shares, our shareholders immediately prior to such transaction could own less than a majority of our issued and outstanding shares subsequent to such transaction. In addition, other minority shareholders may subsequently combine their holdings resulting in a single person or group obtaining a larger share of the company's shares than we initially acquired. Accordingly, this may make it more likely that our management will not be able to maintain control of the target business.

Despite efforts to obtain components from multiple sources whenever possible, many suppliers may be single-source suppliers of certain components. If we cannot maintain long-term supply agreements or identify and qualify multiple sources for components, access to supplies at satisfactory prices, volumes and quality levels may be harmed. We may also experience delivery delays of components from suppliers in various global locations. In addition, while there are dependent upon alternative suppliers and service providers that we could enter into agreements with to replace its suppliers on commercially reasonable terms, we may be unable to establish alternate supply relationships or obtain or engineer replacement components in the short term, or at all, at favorable prices or costs. Qualifying alternate suppliers or developing our officers own replacements for certain components may be time-consuming and directors costly and may force us to make modifications to our product designs.

Our need to purchase supplies globally and our continued international expansion further subjects us to risks relating to currency fluctuations. Any decline in the exchange rate of the U.S. dollar compared to the functional currency of component suppliers could increase component prices. In addition, the state of the financial markets could limit suppliers' ability to raise capital if they are required to expand their loss production to meet our needs or satisfy our operating capital requirements. Changes in economic and business conditions, wars, governmental changes and other factors beyond our control or which we do not presently anticipate, could also affect suppliers' solvency and ability to deliver components on a timely basis. Any of these shortages, delays or price changes could limit our growth, cause cancellations or adversely affect profitability and the ability to compete in the markets in which we operate effectively.

Our business substantially focuses on solar service agreements and transactions with residential customers.

Our business substantially focuses on solar service agreements and transactions with residential customers. Our energy system sales to homeowners utilize power purchase agreements ("**PPAs**"), leases, loans and other products and services. We currently offer PPAs and leases through, EverBright, LLC, and other financial institutions. If we were unable to arrange new or alternative financing methods for PPAs and leases on favorable terms, our business, financial condition, results of operations, and prospects could be materially and adversely affected.

Changes in international trade policies, tariffs, or trade disputes could significantly and adversely affect our ability to operate. In addition, reputational harm to our officers business, revenues, margins, results of operations, and directors could have adverse consequences on our ability to operate or consummate a business combination. cash flows.

Our operations are dependent upon a relatively small group of individuals On February 7, 2018, safeguard tariffs on imported solar cells and in particular, our officers modules went into effect pursuant to Proclamation 9693, which approved recommendations to provide relief to U.S. manufacturers and directors. We believe that our success depends impose safeguard tariffs on imported solar cells and modules, based on the continued service of our officers investigations, findings, and directors, at least until we have completed our initial business combination. In addition, our officers and directors are not required to commit any specified amount of time to our affairs and, accordingly, will have conflicts of interest in allocating their time among various business activities, including identifying potential business combinations and monitoring the related due diligence. We do not have an employment agreement with, or key-man insurance on the life of, any of our directors or officers. The unexpected loss recommendations of the services U.S. International Trade Commission (the "**International Trade Commission**"). Since 2021, modules are subject to a tariff rate of one 15%. Cells are subjected to a tariff-rate quota, under which the first 2.5 GW of cell imports each year will be exempt from tariffs, and cells imported after the 2.5 GW quota has been reached will be subject to the same 30% tariff as modules in the first year, with the same 5% decline in each of the three subsequent years. The tariff-free cell quota applies globally, without any allocation by country or more of our directors or officers could have a detrimental effect on us. region.

In addition, certain of our officers The tariffs could materially and directors are currently, and may in the future be, a party to litigation, regulatory and other government investigations and enforcement actions. This includes enforcement proceedings initiated by the Swiss Financial Market Supervisory Authority (FINMA) against Credit Suisse in September 2020, which covers the period during which certain of our officers and directors were executives of Credit Suisse. Whether or not such proceedings are determined adversely to our officers and directors, the negative publicity and reputational harm associated with such proceedings may divert resources and the attention of management from affect our business and adversely impact results of operations. While solar cells and modules based on interdigitated back contact technology were granted exclusion from these safeguard tariffs on September 19, 2018, our ability solar products based on other technologies continue to consummate a business combination. be subject to the safeguard tariffs. Although we are actively engaged in efforts to mitigate the effect of these tariffs, there is no guarantee that these efforts will be successful.

Our ability Uncertainty surrounding the implications of existing tariffs affecting the U.S. solar market and potential trade tensions between the U.S. and other countries is likely to successfully effect cause market volatility, price fluctuations, supply shortages, and project delays, any of which could harm our initial business, combination and the pursuit of mitigating actions may divert substantial resources from other projects. Further, the Uyghur Forced Labor Prevention Act may inhibit importation of certain solar modules or components. In addition, the imposition of tariffs is likely to be successful thereafter will be dependent upon result in a wide range of impacts to the efforts U.S. solar industry and the global manufacturing market, as well as our business in particular. Such tariffs could materially increase the price of our key personnel, some of whom may join us following our initial business combination. The loss of key personnel could negatively impact solar products and result in significant additional costs to the operations company, its resellers, and profitability of our post-combination business.

Our ability to successfully effect our initial business combination is dependent upon the efforts of our key personnel. The role of our key personnel in the target business, however, cannot presently be ascertained. Although some of our key personnel may remain with the target business in senior management or advisory positions following our initial business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our initial business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a company regulated by the SEC, resellers' customers, which could cause us to have to expend time a significant reduction in demand for the company's solar power products and resources helping them become familiar with such requirements. greatly reduce our competitive advantage.

In addition, the directors and officers of an acquisition candidate may resign upon completion of our initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. The role of an acquisition candidate's key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the post-combination company following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place. The loss of key personnel could negatively impact the operations and profitability of our post-combination business.

Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination, and a particular business combination may be conditioned on the retention or resignation of such key personnel. These agreements may provide for them to receive compensation following our initial business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous.

Our key personnel may be able to remain with our company after the completion of our initial business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to us after the completion of the business combination. Such negotiations also could make such key personnel's retention or resignation a condition to any such agreement. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business, subject to their fiduciary duties under Cayman Islands law.

If we fail to manage operations and growth effectively, we may be unable to execute our business plan, maintain high levels of customer service or adequately address competitive challenges.

We have experienced significant growth in recent periods as measured by our number of customers; we intend to continue efforts to expand our business within existing and new markets. This growth has placed, and any future growth may have place, a limited strain on management, operational and financial infrastructure. Our growth requires our management to devote a significant amount of time and effort to maintain and expand relationships with customers, dealers and other third parties, attract new customers and dealers, arrange financing for growth and manage expansion into additional markets.

In addition, our current and planned operations, personnel, information technology and other systems and procedures might need to be revised to support future growth and may require us to make additional unanticipated investments in its infrastructure. Our success and ability to assess the management of a prospective target further scale our business and, as a result, may effect our initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company.

When evaluating the desirability of effecting our initial business combination with a prospective target business, will depend, in part, on our ability to assess the target business's management manage these changes in a cost-effective and efficient manner.

If we cannot manage operations and growth, we may be limited due unable to a lack meet expectations regarding growth, opportunity and financial targets, take advantage of time, resources market opportunities, execute our business strategies or information. Our assessment respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new offerings or other operational difficulties. Any failure to effectively manage our operations and growth could adversely impact our reputation, business, financial condition, cash flows and results of operations.

We have international activities and customers in the European Union, and plans to continue these efforts, which subjects us to additional business risks, including logistical and compliance related complexity.

A portion of our sales are made to customers outside of the capabilities U.S., and a substantial portion of our supply agreements are with supply and equipment vendors located outside of the target business's management, therefore, may prove to be incorrect U.S. We have solar cell and such management may lack the skills, qualifications or abilities we suspected. Should the target business's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations module production lines located at our outsourced manufacturing facilities in Thailand, Vietnam, and profitability of the post-combination business may be negatively impacted. Accordingly, any shareholders or warrant holders who choose to remain shareholders or warrant holders following the business combination could suffer a reduction in the value of their securities. Such shareholders or warrant holders India. We are unlikely to have a remedy for such reduction in value. also considering other manufacturing locations.

The officers and directors of an acquisition candidate may resign upon completion of our initial Risks we face in conducting business combination. The loss of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business.internationally include:

The role of an acquisition candidate's key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the post-combination business following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place.

We may issue additional Class A ordinary shares or preferred shares to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We may also issue Class A ordinary shares upon the conversion of the founder shares at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained in our amended and restated memorandum and articles of association. Any such issuances would dilute the interest of our shareholders and likely present other risks.

Our amended and restated memorandum and articles of association authorizes the issuance of up to 200,000,000 Class A ordinary shares, par value $0.0001 per share, 20,000,000 Class B ordinary shares, par value $0.0001 per share, and 1,000,000 preferred shares, par value $0.0001 per share. As of December 31, 2022, there were 165,500,000 and 11,375,000 authorized but unissued Class A ordinary shares and Class B ordinary shares, respectively, available for issuance which amounts do not take into account shares reserved for issuance upon exercise of outstanding warrants or shares issuable upon conversion of the Class B ordinary shares. The Class B ordinary shares are automatically convertible into Class A ordinary shares concurrently with or immediately following the consummation of our initial business combination, initially at a one-for-one ratio but subject to adjustment as set forth in our amended and restated memorandum and articles of association, including in certain circumstances in which we issue Class A ordinary shares or equity-linked securities related to our initial business combination. As of December 31, 2022, there were no preferred shares issued and outstanding.

We may issue a substantial number of additional Class A ordinary shares or preferred shares to complete our initial business combination or under an employee incentive plan after completion of our initial business combination. We may also issue Class A ordinary shares upon conversion of the Class B ordinary shares at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions as set forth in our amended and restated memorandum and articles of association or in connection with the redemption of our public warrants. However, our amended and restated memorandum and articles of association provide, among other things, that prior to our initial business combination, we may not issue additional securities that would entitle the holders thereof to (i) receive funds from the trust account or (ii) vote on any initial business combination. These provisions of our amended and restated memorandum and articles of association, like all provisions of our amended and restated memorandum and articles of association, may be amended with a shareholder vote. The issuance of additional ordinary or preferred shares may:

- significantly dilute the equity interest of holders of our Class A ordinary shares, which dilution would increase in the anti-dilution provisions in the Class B ordinary shares result in the issuance of Class A ordinary shares on a greater than one-to-one basis upon conversion of the Class B ordinary shares; multiple, conflicting and changing laws and regulations, export and import restrictions, employment laws, data protection laws, environmental protection, regulatory requirements, international trade agreements, and other government approvals, permits and licenses;
- difficulties and costs in staffing and managing foreign operations as well as cultural differences;
- potentially adverse tax consequences associated with current, future or deemed permanent establishment of operations in multiple countries;
- relatively uncertain legal systems, including potentially limited protection for intellectual property rights, and laws, changes in the governmental incentives that we rely on, regulations and policies which impose additional restrictions on the ability of foreign companies to conduct business in certain countries or otherwise place them at a competitive disadvantage in relation to domestic companies;

- inadequate local infrastructure and developing telecommunications infrastructures;
- financial risks, such as longer sales and payment cycles and greater difficulty collecting accounts receivable;

- currency fluctuations, government-fixed foreign exchange rates, the effects of currency hedging activity, and the potential inability to hedge currency fluctuations;
- political and economic instability, including wars, acts of terrorism, political unrest, boycotts, curtailments of trade and other business restrictions;
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make the company less competitive in some countries; and
- subordinate liabilities associated with compliance with laws (for example, the rights Foreign Corrupt Practices Act in the U.S. and similar laws outside of holders of Class A ordinary shares if preferred shares are issued with rights senior to those afforded our Class A ordinary shares; the U.S.).

- cause a change in control if a substantial number of our Class A ordinary shares are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- have the effect of delaying or preventing a change of control of us by diluting the share ownership or voting rights of a person seeking to obtain control of us;
- adversely affect prevailing market prices for our units, Class A ordinary shares and/or warrants; and
- not result in adjustment to the exercise price of our warrants.

Unlike We have an organizational structure involving entities globally. This increases the potential impact of adverse changes in laws, rules and regulations affecting the free flow of goods and personnel, and therefore heightens some other similarly structured special purpose acquisition companies, our initial shareholders will receive additional Class A ordinary shares if we issue certain shares to consummate an initial business combination.

The founder shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like, and subject to further adjustment as provided in our amended and restated memorandum and articles of association. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with our initial business combination, the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect risks noted above. Further, this structure requires us to any redemptions of Class A ordinary shares by public shareholders), including the total number of Class A ordinary shares issued, manage our international inventory and warehouses effectively. If we fail to do so, our shipping movements may not correspond with product demand and flow. Unsettled intercompany balances between entities could result, if changes in law, regulations or deemed issued related interpretations occur in adverse tax or issuable upon conversion or exercise of any equity-linked securities issued or deemed issued, by the Company in connection with the consummation of the initial business combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, deemed issued or to be issued, to any seller in the initial business combination other consequences that affect capital structure, intercompany interest rates and any private placement warrants issued to our sponsor, officers or directors upon conversion of working capital loans; provided that such conversion of founder shares will never occur on a less than one-for-one basis.

Resources could be wasted in researching business combinations that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. ***legal structure. If we are unable to complete successfully manage any such risks, any one or more could materially and negatively affect our initial business, combination, our public shareholders financial condition and results of operations.***

We have incurred losses and may only receive their pro rata portion of the funds be unable to achieve or sustain profitability in the trust account that are available for distribution future.

We have incurred net losses in the past and had an accumulated deficit of $354.9 million and $85.4 million as of December 31, 2023 and 2022, respectively. We will continue to public shareholders, incur net losses as spending increases to finance the expansion of operations, installation, engineering, administrative, sales and marketing staffs, spending increases on brand awareness and other sales and marketing initiatives and implement internal systems and infrastructure to support the company's growth. We do not know whether revenue will grow rapidly enough to absorb these costs, and our warrants will expire worthless. limited operating history makes it difficult to assess the extent of these expenses or their impact on results of operations. Our ability to achieve profitability depends on a number of factors, including but not limited to:

- Growing the customer base;
- Maintaining or further lowering the cost of capital;
- Reducing the cost of components for our solar service offerings;
- Growing and maintaining our channel partner network;
- Growing our direct-to-consumer business to scale; and
- Reducing operating costs by lowering customer acquisition costs and optimizing our design and installation processes and supply chain logistics.

The investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys, consultants and others. If Even if we decide not to complete a specific initial business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, do achieve profitability, we may fail to complete our initial business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are be unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds sustain or increase profitability in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless. future.

Our public shareholders may not be afforded an opportunity to vote on our proposed initial business combination, and even if we hold a vote, holders of our founder shares will participate in such vote, which means we may complete our initial business combination even though a majority of our public shareholders do not support such a combination.

We may choose not to hold a shareholder vote to approve our initial business combination unless the business combination would require shareholder approval under applicable law or stock exchange listing requirements. In such case, the decision as to whether we will seek shareholder approval of a proposed business combination or will allow shareholders to sell their shares to us in a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors, such as the timing of the transaction and whether the terms of the transaction would otherwise require us to seek shareholder approval. Even if we seek shareholder approval, the holders of our founder shares will participate in the vote on such approval and have agreed to vote in favor of our initial business combination. Accordingly, we may complete our initial business combination even if holders of a majority of our ordinary shares do not approve of the business combination we complete.

Your only opportunity to effect your investment decision regarding a potential business combination may be limited to the exercise of your right to redeem your shares from us for cash.

At the time of your investment in us, you will not be provided with an opportunity to evaluate the specific merits or risks of our initial business combination. While we will hold a shareholder vote to approve our proposed Business Combination with Complete Solaria, if the Business Combination is not consummated and we seek to effectuate a business combination with another target business, our board of directors may complete such business combination without seeking shareholder approval, and then public shareholders may not have the right or opportunity to vote on the business combination, unless we seek such shareholder vote. Accordingly, your only opportunity to effect your investment decision regarding our initial business combination may be limited to exercising your redemption rights within the period of time (which will be at least 20 business days) set forth in our tender offer documents mailed to our public shareholders in which we describe our initial business combination.

If we seek shareholder approval of our initial business combination, our initial shareholders and management team have agreed to vote in favor of such initial business combination, regardless of how our public shareholders vote.

Our initial shareholders own approximately 43.4% of our issued and outstanding ordinary shares (after giving effect to the redemption of 23,256,504 Class A ordinary shares in connection with the Extension Amendment). Our initial shareholders and management team also may from time to time purchase Class A ordinary shares prior to our initial business combination. Our amended and restated memorandum and articles of association provide that, if we seek shareholder approval of an initial business combination, such initial business combination will be approved if we receive an ordinary resolution under Cayman Islands law, which requires the affirmative vote of a majority of the shareholders who attend and vote at a general meeting of the company, including the founder shares. As a result, in addition to our initial shareholders' founder shares, we would need 1,309,249, or 11.6%, of the 11,243,496 Class A ordinary shares to be voted in favor of an initial business combination in order to have our initial business combination approved. Accordingly, if we seek shareholder approval of our initial business combination, the agreement by our initial shareholders and management team to vote in favor of our initial business combination will increase the likelihood that we will receive an ordinary resolution, being the requisite shareholder approval for such initial business combination.

We do not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for us to complete our initial business combination with which a substantial majority of our shareholders do not agree.

Our amended and restated memorandum and articles of association provide that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. In addition, our proposed initial business combination may impose a minimum cash requirement for (i) cash consideration to be paid to the target or its owners, (ii) cash for working capital or other general corporate purposes or (iii) the retention of cash to satisfy other conditions. As a result, we may be able to complete our initial business combination even though a substantial majority of our public shareholders do not agree with the transaction and have redeemed their shares or, if we seek shareholder approval of our initial business combination and do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, have entered into privately negotiated agreements to sell their shares to our sponsor, officers, directors, advisors or any of their affiliates. In the event the aggregate cash consideration we would be required to pay for all Class A ordinary shares that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed business combination exceed the aggregate amount of cash available to us, we will not complete the business combination or redeem any shares, all Class A ordinary shares submitted for redemption will be returned to the holders thereof, and we instead may search for an alternate business combination.

We have amended our amended and restated memorandum and articles of association to extend the time to consummate an initial business combination, and we cannot assure you that we will not seek to further amend our amended and restated memorandum and articles of association or governing instruments in a manner that will make it easier for us to complete our initial business combination that our shareholders may not support.

In order to effectuate a business combination, special purpose acquisition companies have, in the recent past, amended various provisions of their charters and governing instruments, including their warrant agreements. For example, we have amended our amended and restated memorandum and articles of association to extend the time to consummate an initial business combination, and other special purpose acquisition companies have amended the definition of business combination, increased redemption thresholds and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and/or other securities. Amending our amended and restated memorandum and articles of association requires a special resolution under Cayman Islands law, which requires the affirmative vote of a majority of at least two-thirds of the shareholders who attend and vote at a general meeting of the company (other than amendments relating to the rights of holders of Class B ordinary shares to appoint or remove directors, which may be amended by a special resolution passed by a majority of at least 90% of our ordinary shares voting in a general meeting), and amending our warrant agreement will require a vote of holders of at least 65% of the public warrants and, solely with respect to any amendment to the terms of the private placement warrants or any provision of the warrant agreement with respect to the private placement warrants, at least 65% of the then outstanding private placement warrants. In addition, our amended and restated memorandum and articles of association require us to provide our public shareholders with the opportunity to redeem their public shares for cash if we propose an amendment to our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity. To the extent any of such amendments would be deemed to fundamentally change the nature of the securities offered through our initial public offering, we would register, or seek an exemption from registration for, the affected securities. We cannot assure you that we will not seek to further amend our amended and restated memorandum and articles of association or governing instruments or extend the time to consummate an initial business combination in order to effectuate our initial business combination.

The provisions of our amended and restated memorandum and articles of association that relate to our pre-business combination activity (and corresponding provisions of the agreement governing the release of funds from our trust account) may be amended with the approval of holders of not less than two-thirds of our ordinary shares who attend and vote at a general meeting of the company (or 65% of our ordinary shares who attend and vote at a general meeting of the company with respect to amendments to the trust agreement governing the release of funds from our trust account), which is a lower amendment threshold than that of some other special purpose acquisition companies. It may be easier for us, therefore, to amend our amended and restated memorandum and articles of association and trust agreement to facilitate the completion of an initial business combination that some of our shareholders may not support.

Our amended and restated memorandum and articles of association provide that any of its provisions related to pre-business combination activity (including the requirement to deposit proceeds of our initial public offering and the sale of the private placement warrants into the trust account and not release such amounts except in specified circumstances, and to provide redemption rights to public shareholders as described herein) may be amended if approved by special resolution under Cayman Islands law, which requires the affirmative vote of a majority of at least two-thirds of the shareholders who attend and vote at a general meeting of the company (other than amendments relating to the rights of holders of Class B ordinary shares to appoint or remove directors, which may be amended by a special resolution passed by a majority of at least 90% of our ordinary shares voting in a general meeting), and corresponding provisions of the trust agreement governing the release of funds from our trust account may be amended if approved by holders of 65% of our ordinary shares who attend and vote at a general meeting of the company. Our initial shareholders, who collectively beneficially own 43.4% of our ordinary shares (after giving effect to the redemption of 23,256,504 Class A ordinary shares in connection with the Extension Amendment), may participate in any vote to amend our amended and restated memorandum and articles of association and/or trust agreement and have the discretion to vote in any manner they choose. As a result, we may be able to amend the provisions of our amended and restated memorandum and articles of association that govern our pre-business combination behavior more easily than some other special purpose acquisition companies, and this may increase our ability to complete a business combination with which you do not agree. Our shareholders may pursue remedies against us for any breach of our amended and restated memorandum and articles of association.

Our initial shareholders, sponsor, officers and directors have agreed, pursuant to a written agreement with us, that they will not propose any amendment to our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other***A material provisions relating to shareholders' rights or pre-initial business combination activity, unless we provide our public shareholders with the opportunity to redeem their Class A ordinary shares upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit drop in the trust account, including interest earned on the funds held retail price of utility-generated electricity or electricity from other sources could adversely impact our ability to attract customers, which would harm our business, financial condition, and results of operations.***

We believe a homeowner's decision to buy solar energy from us is primarily driven by a desire to lower electricity costs. Decreases in the trust account retail prices of electricity from utilities or other energy sources would harm our ability to offer competitive pricing and not previously released to us to pay our taxes, divided by the number could harm its business. The price of then outstanding public shares. Our shareholders are not parties to, or third-party beneficiaries of, these agreements and, electricity from utilities could decrease as a result will not have of:

- the construction of a significant number of new power generation plants, including nuclear, coal, natural gas or renewable energy technologies;
- the construction of additional electric transmission and distribution lines;
- a reduction in the price of natural gas or other natural resources as a result of new drilling techniques or other technological developments, a relaxation of associated regulatory standards, or broader economic or policy developments;
- energy conservation technologies and public initiatives to reduce electricity consumption;
- subsidies impacting electricity prices, including in connection with electricity generation and transmission; and
- development of new energy technologies that provide less expensive energy.

A reduction in utility electricity prices would make the right purchase of our solar service offerings less attractive. If the retail price of energy available from utilities were to approve decrease due to any waiver to these agreements and will not have the ability to pursue remedies against our sponsor, officers or directors for any breach of these agreements. or other reasons, we would be at a competitive disadvantage. As a result, in the event of a breach, our shareholders we may be unable to attract new homeowners and growth would need to pursue a shareholder derivative action, subject to applicable law. be limited.

We face competition from both traditional energy companies and renewable energy companies.

The ability of our public shareholders solar energy and renewable energy industries are both highly competitive and continually evolving as participants strive to redeem distinguish themselves within their shares for cash may make our financial condition unattractive markets and compete with large utilities. Our primary competitors are the traditional utilities that supply energy to potential business combination targets, customers. We compete with these utilities primarily based on price, predictability of price and the ease by which may make it difficult for us customers can switch to enter into a electricity generated by our solar energy systems. If we cannot offer compelling value to its customers based on these factors, then our business combination with a target or prevent us from completing the most desirable business combination or optimizing our capital structure.

In connection with the Extension Amendment, our public shareholders elected to redeem 23,256,504 Class A ordinary shares. After giving effect to those redemptions, we have approximately $111,740,624 in our trust account (after taking into account the $3,018,750 of deferred underwriting commissions being held in the trust account). The amount of the deferred underwriting commissions payable to the underwriters will not be adjusted for any shares that are redeemed in connection with grow. Utilities generally have substantially greater financial, technical, operational and other resources than us. As a business combination and such amount result of deferred underwriting discount is not available for us to use as consideration in an initial business combination. Furthermore, in no event will we redeem our public shares in an amount that would cause our net tangible assets, after payment of the deferred underwriting commissions, to be less than $5,000,001 upon completion of our initial business combination, or any their greater net tangible asset or cash requirement that size, these competitors may be contained in the agreement relating to our initial business combination. Consequently, if accepting all properly submitted redemption requests would cause our net tangible assets, after payment of the deferred underwriting commissions, to be less than $5,000,001 upon completion of our initial business combination, we would not proceed with such redemption of our public shares and the related business combination, and we may instead search for an alternate business combination. If we do not consummate the proposed Business Combination with Complete Solaria and we seek to effectuate a business combination with another target, then we may seek to enter into a business combination transaction agreement with a minimum cash requirement. If our initial business combination agreement requires us to use a portion of the cash in the trust account to pay the purchase price, or requires us to have a minimum amount of cash at closing, then the probability that our initial business combination would be unsuccessful is increased. If too many public shareholders exercise their redemption rights, then we would not be able to meet devote more resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. Utilities could also offer other value- added products and services that could help them compete with us even if the cost of electricity they offer is higher than ours. In addition, a majority of utilities' sources of electricity is non-solar, which may allow utilities to sell electricity more cheaply than electricity generated by our solar energy systems.

Our business is concentrated in certain markets including California, putting us at risk of region-specific disruptions.

As of December 31, 2023, a substantial portion of our installations were in California. We expect much of its near-term future growth to occur in California, further concentrating our customer base and operational infrastructure. Accordingly, our business and operations results are particularly susceptible to adverse economic, regulatory, pollical, weather, and other conditions in this market and other markets that may become similarly concentrated. We may not have adequate insurance, including business interruption insurance, to compensate for losses that may occur from any such closing condition significant events. A significant natural disaster could have a material adverse impact on our business, results of operations and financial condition. In addition, acts of terrorism or malicious computer viruses could cause disruptions in our business, our partners' businesses or the economy as a result, would not be able to proceed with the business combination. Alternatively, we may seek to restructure the transaction to reserve a greater portion of the cash in the trust account or arrange for third-party financing. Raising additional third-party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. Furthermore, this dilution would increase to whole. To the extent that these disruptions result in delays or cancellations of installations or the anti-dilution provision deployment of the Class B ordinary shares solar service offerings, our business, results in the issuance of Class A ordinary shares on a greater than one-

to-one basis upon conversion of the Class B ordinary shares at the time of our initial business combination. Prospective targets will operations and financial condition would be aware of these risks and, thus, may be reluctant to enter into a business combination transaction with us. If we are able to consummate an initial business combination, the per-share value of shares held by non-redeeming shareholders will reflect our obligation to pay the deferred underwriting commissions. The above considerations may limit our ability to complete the most desirable business combination available to us or optimize our capital structure. adversely affected.

If our initial business combination is unsuccessful, you would not receive your pro rata portion of the trust account until we liquidate the trust account. If you are in need of immediate liquidity, you could attempt to sell your shares in the open market; however, at such time our shares may trade at a discount to the pro rata amount per share in the trust account. You may suffer a material loss on your investment or lose the benefit of funds expected in connection with your exercise of redemption rights until we liquidate or you are able to sell your shares in the open market.

Our growth strategy depends on the widespread adoption of solar power technology.

The distributed residential solar energy market is at a relatively early stage of development compared to fossil fuel-based electricity generation. If additional demand for distributed residential solar energy systems fails to develop sufficiently or takes longer to develop than we anticipate, the company may be unable to originate additional solar service agreements and related solar energy systems and energy storage systems to grow the business. In addition, demand for solar energy systems and energy storage systems in our targeted markets may not develop to the extent it anticipates. As a result, we may need to successfully broaden our customer base through origination of solar service agreements and related solar energy systems and energy storage systems within its current markets or in new markets we may enter.

Many factors may affect the demand for solar energy systems, including, but not limited to, the following:

- availability, substance and magnitude of solar support programs including government targets, subsidies, incentives, renewable portfolio standards and residential net metering rules;
- the relative pricing of other conventional and non-renewable energy sources, such as natural gas, coal, oil and other fossil fuels, wind, utility-scale solar, nuclear, geothermal and biomass;
- performance, reliability and availability of energy generated by solar energy systems compared to conventional and other non-solar renewable energy sources;
- availability and performance of energy storage technology, the ability to implement such technology for use in conjunction with solar energy systems and the cost competitiveness such technology provides to customers as compared to costs for those customers reliant on the conventional electrical grid; and
- general economic conditions and the level of interest rates.

The residential solar energy industry is constantly evolving, which makes it difficult to evaluate our prospects. We cannot be certain if historical growth rates reflect future opportunities or its anticipated growth will be realized. The failure of distributed residential solar energy to achieve, or its being significantly delayed in achieving, widespread adoption could have a material adverse effect on our business, financial condition and results of operations.

Our business could be adversely affected by seasonal trends, poor weather, labor shortages, and construction cycles.

Our business is subject to significant industry-specific seasonal fluctuations. In the U.S., many customers make purchasing decisions towards the end of the year in order to take advantage of tax credits. In addition, sales in the new home development market are often tied to construction market demands, which tend to follow national trends in construction, including declining sales during cold weather months.

Natural disasters, terrorist activities, political unrest, economic volatility, and other outbreaks could disrupt our delivery and operations, which could materially and adversely affect our business, financial condition, and results of operations.

Global pandemics or fear of spread of contagious diseases, such as Ebola virus disease (EVD), coronavirus disease 2019 (COVID-19), Middle East respiratory syndrome (MERS), severe acute respiratory syndrome (SARS), H1N1 flu, H7N9 flu, avian flu and monkeypox, as well as hurricanes, earthquakes, tsunamis, or other natural disasters could disrupt our business operations, reduce or restrict operations and services, incur significant costs to protect its employees and facilities, or result in regional or global economic distress, which may materially and adversely affect business, financial condition, and results of operations. Actual or threatened war, terrorist activities, political unrest, civil strife, future disruptions in access to bank deposits or lending commitments due to bank failures and other geopolitical uncertainty could have a similar adverse effect on our business, financial condition, and results of operations. On February 24, 2022, the Russian Federation launched an invasion of Ukraine that has had an immediate impact on the global economy resulting in higher energy prices and higher prices for certain raw materials and goods and services which in turn is contributing to higher inflation in the U.S. and other countries across the globe with significant disruption to financial markets. We have outsourced product development and software engineering in Ukraine and we may potentially indirectly be adversely impacted any significant disruption it has caused and may continue to escalate. Similarly, the current armed conflict in Israel and the Gaza Strip may impact our operations. Any one or more of these events may impede our operation and delivery efforts and adversely affect sales results, or even for a prolonged period of time, which could materially and adversely affect our business, financial condition, and results of operations. 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.

We depend on a limited number of customers and sales contracts for a significant portion of revenues, and the loss of any customer or cancellation of any contract may cause significant fluctuations or declines in revenues.

In 2023, our top customer accounted for 55% of our total revenues, while in 2022 another customer accounted for 47% of our total revenues from continuing operations. We anticipate that our dependence on a limited number of customers may continue for the foreseeable future. As a result of customer concentration, our financial performance may fluctuate significantly from period to period based, among others, on exogenous circumstances related to its clients. In addition, any one of the following events may materially adversely affect cash flows, revenues and results of operations:

- reduction, delay or cancellation of orders from one or more significant customers;
- loss of one or more significant customers and failure to identify additional or replacement customers;
- failure of any significant customers to make timely payment for our products; or
- the customers becoming insolvent or having difficulties meeting their financial obligations for any reason.

Because ***We are exposed to the credit risk of customers and payment delinquencies on its accounts receivables.***

While customer defaults have been immaterial to date, we must furnish expect that the risk of customer defaults may increase as we grow our shareholders with the target business's financial statements, business. If we may lose the experience increased customer credit defaults, our revenue and our ability to complete an otherwise advantageous initial business combination with some prospective target businesses.

The federal proxy rules require that the proxy statement with respect to the vote on an initial business combination include historical raise new investment funds could be adversely affected. If economic conditions worsen, certain of our customers may face liquidity concerns and pro forma financial statement disclosure. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America ("GAAP") or international financial reporting standards as issued by the International Accounting Standards Board ("IFRS") depending on the circumstances and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such satisfy their payment obligations to us on a timely basis or at all, which could have a material adverse effect on our financial statements in time for us to disclose such statements in accordance with federal proxy rules condition and complete our initial business combination within the prescribed time frame.results of operations.

We may not realize the anticipated benefits of past or future acquisitions, and integration of these acquisitions may disrupt our business.

In November 2022, we acquired The requirement that Solaria Corporation ("Solaria"), after which Complete Solar was renamed "Complete Solaria, Inc." In October 2023, we complete subsequently sold solar panel assets of Solaria, including intellectual property and customer contracts, to Maxeon Solar Technologies, Ltd., which resulted in an impairment loss of $147.5 million and loss on disposal of $1.8 million. In the future, we may acquire additional companies, project pipelines, products, or technologies, or enter into joint ventures or other strategic initiatives. Our ability as an organization to integrate acquisitions is unproven. We may not realize the anticipated benefits of our initial business combination during acquisitions or any other future acquisition or the Extension Period acquisition may give potential target businesses leverage over us in negotiating a business combination be viewed negatively by customers, financial markets or investors.

Any acquisition has numerous risks, including, but not limited to, the following:

- difficulty in assimilating the operations and personnel of the acquired company;
- difficulty in effectively integrating the acquired technologies or products with current products and technologies;
- difficulty in maintaining controls, procedures and policies during the transition and integration;
- disruption of ongoing business and distraction of management and employees from other opportunities and challenges due to integration issues;
- difficulty integrating the acquired company's accounting, management information and other administrative systems;
- inability to retain key technical and managerial personnel of the acquired business;
- inability to retain key customers, vendors, and other business partners of the acquired business;
- inability to achieve the financial and strategic goals for the acquired and combined businesses;
- incurring acquisition-related costs or amortization costs for acquired intangible assets that could impact operating results;
- failure of due diligence processes to identify significant issues with product quality, legal and financial liabilities, among other things;
- inability to assert that internal controls over financial reporting are effective; and
- inability to obtain, or obtain in a timely manner, approvals from governmental authorities, which could delay or prevent such acquisitions.

We depend on our intellectual property and may limit face intellectual property infringement claims that could be time-consuming and costly to defend and could result in the time we have in which to conduct due diligence on potential business combination targets, in particular as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce value for our shareholders. loss of significant rights.

Any potential target business with which we enter into negotiations concerning a business combination will be aware that we must complete our initial business combination during the Extension Period. Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete our initial business combination with that particular target business, we may be unable to complete our initial business combination with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our initial business combination on terms that we would have rejected upon a more comprehensive investigation.

If the funds available to us outside the trust account to fund our working capital requirements are insufficient to allow us to operate for at least the Extension Period, it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination, and we will depend on loans from our sponsor or management team to fund our search and to complete our initial business combination.

As of December 31, 2022, we had $72,923 available to us outside the trust account to fund our working capital requirements. On each of April 1, 2022 and June 6, 2022, we issued an unsecured promissory note in the amount of up to $500,000 to our sponsor; on December 14, 2022, we issued an unsecured promissory note in the amount of up to $325,000 to Tidjane Thiam, the Company's Executive Chairman, Adam Gishen, the Company's Chief Executive Officer, Edward Zeng, a director of the Company, and Abhishek Bhatia, a board observer of the Company (collectively, the "Convertible Notes"). The Convertible Notes may be drawn down from From time to time, until we complete our initial business combination for general working capital purposes, as further described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." In addition, on February 28, 2023, we issued to our sponsor an unsecured promissory note in the amount of up to $2,100,000, $1,600,000 of which was drawn down immediately, $400,000 of which may be drawn down, with the mutual consent of us and our sponsor, if customers, or the third parties with whom we wish to extend the date by which we will consummate a business combination beyond June 2, 2023, and $100,000 of which work may be drawn down on an as-needed basis at the discretion of our sponsor, to be used for general working capital purposes, as further described in "Item 7. Management's Discussion and Analysis of Financial

Condition and Results of Operations—Recent Developments—Promissory Note." We believe that the funds available to us outside of the trust account will be sufficient to allow us to operate for at least the Extension Period; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we could use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a "no-shop" provision (a provision in receive letters, of intent or merger agreements designed to keep target businesses including letters from "shopping" around for transactions with other companies or investors on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent or merger agreement where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business.

We have in the past and may in the future need to borrow funds from our sponsor, management team or other third parties, and may become subject to operate or may be forced to liquidate. Neither our sponsor, members of our management team nor any lawsuits with such third parties alleging infringement of their affiliates is under any obligation to advance funds to, or invest in, us in such circumstances. Any such loans may be repaid only from funds held outside the trust account or from funds released to us upon completion of our initial business combination. After giving effect to the $1,325,000 principal amount of Convertible Notes, up to $675,000 of additional loans may be convertible into private placement warrants of the post-business combination entity at a price of $1.50 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants. Prior to the completion of our initial business combination, we do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account. If patents. Additionally, we are unable required by contract to complete indemnify some customers and third-party intellectual property providers for certain costs and damages of patent infringement in circumstances where our initial products are a factor creating the customer's or these third-party providers' infringement liability. This practice may subject us to significant indemnification claims by customers and third-party providers. We cannot assure investors that indemnification claims will not be made or that these claims will not harm our business, combination because we do not operating results or financial condition. Intellectual property litigation is very expensive and time-consuming and could divert management's attention from our business and could have sufficient funds available to us, we will be forced to cease operations and liquidate the trust account. Consequently, our public shareholders may only receive an estimated $10.00 per share, or possibly less, a material adverse effect on our redemption business, operating results or financial condition. If there is a successful claim of infringement against us, our public shares, and customers or our warrants will expire worthless.

Changes in the market for directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial business combination.

The market for directors and officers liability insurance for special purpose acquisition companies has changed in ways adverse to us and our management team. Fewer insurance companies are offering quotes for directors and officers liability coverage, the premiums charged for such policies have generally increased and the terms of such policies have generally become less favorable. These trends may continue into the future.

The increased cost and decreased availability of directors and officers liability insurance could make it more difficult and more expensive for us to negotiate and complete an initial business combination. In order to obtain directors and officers liability insurance or modify its coverage as a result of becoming a public company, the post-business combination entity might need to incur greater expense and/or accept less favorable terms. Furthermore, any failure to obtain adequate directors and officers liability insurance could have an adverse impact on the post-business combination's ability to attract and retain qualified officers and directors.

In addition, after completion of any initial business combination, our directors and officers could be subject to potential liability from claims arising from conduct alleged to have occurred prior to such initial business combination. As a result, in order to protect our directors and officers, the post-business combination entity may need to purchase additional insurance with respect to any such claims ("run-off insurance"). The need for run-off insurance would be an added expense for the post-business combination entity and could interfere with or frustrate our ability to consummate an initial business combination on terms favorable to our investors.

We may be unable to obtain additional financing to complete our initial business combination or to fund the operations and growth of a target business, which could compel us to restructure or abandon a particular business combination.

We target businesses with enterprise values that are greater than we could acquire solely with the net proceeds of our initial public offering and the sale of the private placement warrants. As a result, if the cash portion of the purchase price exceeds the amount available from the trust account, net of amounts needed to satisfy any redemption by public shareholders and pay deferred underwriting commissions, third-party intellectual property providers, we may be required to seek additional financing pay substantial damages to complete such proposed initial business combination. We cannot assure you the party claiming infringement, stop selling products or using technology that such financing will contains the allegedly infringing intellectual property, or enter into royalty or license agreements that may not be available on acceptable terms, if at all. To Parties making infringement claims may also be able to bring an action before the extent International Trade Commission that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure could result in an order stopping the transaction or abandon that particular business combination and seek an alternative target business candidate. Further, we may be required to obtain additional financing in connection with importation into the closing U.S. of our initial business combination for general corporate purposes, including for maintenance or expansion solar products. Any of operations of the post-transaction businesses, the payment of principal or interest due on indebtedness incurred in completing these judgments could materially damage our initial business combination, or business. We may have to fund the purchase of other companies. If we are unable to complete our initial business combination, our public shareholders may only receive their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, develop non-infringing technology, and our warrants will expire worthless. In addition, even if we do not need additional financing failure in doing so or in obtaining licenses to complete our initial business combination, we may require such financing to fund the operations or growth of the target business. The failure to secure additional financing proprietary rights on a timely basis could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or shareholders is required to provide any financing to us in connection with or after our initial business combination.

We may be required to file claims against other parties for infringing its intellectual property that may be costly and may not be resolved in its favor.

To protect our intellectual property rights and to maintain competitive advantage, we have filed, and may continue to file, suits against parties we believe infringe or misappropriate our intellectual property. Intellectual property litigation is expensive and time-consuming, could divert management's attention from our business, and could have a material adverse effect on our business, operating results, or financial condition, and our enforcement efforts may not be successful. In addition, the validity of our patents may be challenged in such litigation. Our participation in intellectual property enforcement actions may negatively impact our financial results.

Developments in technology or improvements in distributed solar energy generation and related technologies or components may materially adversely affect demand for our offerings.

Significant developments in technology, such as advances in distributed solar power generation, energy storage solutions such as batteries, energy storage management systems, the widespread use or adoption of fuel cells for residential or commercial properties or improvements in other forms of distributed or centralized power production may materially and adversely affect demand for our offerings and otherwise affect our business. Future technological advancements may result in reduced prices to consumers or more efficient solar energy systems than those available today, either of which may result in current customer dissatisfaction. We may not be able to adopt these new technologies as quickly as its competitors or on a cost-effective basis.

Additionally, recent technological advancements may impact our business in ways not currently anticipated. Any failure by us to adopt or have access to new or enhanced technologies or processes, or to react to changes in existing technologies, could result in product obsolescence or the loss of competitiveness of and decreased consumer interest in its solar energy services, which could have a material adverse effect on its business, financial condition and results of operations.

Our business is subject to complex and evolving data protection laws. Many of these laws and regulations are subject to change and uncertain interpretation and could result in claims, increased cost of operations or otherwise harm its business.

Consumer personal privacy and data security have become significant issues and the subject of rapidly evolving regulation in the U.S. Furthermore, federal, state and local government bodies or agencies have in the past adopted, and may in the future adopt, more laws and regulations affecting data privacy. For example, the state of California enacted the California Consumer Privacy Act of 2018 ("CCPA") and California voters recently approved the California Privacy Rights Act ("CPRA"). The CCPA creates individual privacy rights for consumers and places increased privacy and security obligations on entities handling the personal data of consumers or households. The CCPA went into effect in January 2020 and it requires covered companies to provide new disclosures to California consumers, provides such consumers, business-to-business contacts and employees new ways to opt-out of certain sales of personal information, and allows for a new private right of action for data breaches. The CPRA modifies the CCPA and imposes additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt outs for certain uses of sensitive data. The CCPA and the CPRA may significantly impact Complete Solaria's business activities and require substantial compliance costs that adversely affect its business, operating results, prospects and financial condition. To date, we have not experienced substantial compliance costs in connection with fulfilling the requirements under the CCPA or CPRA. However, we cannot be certain that compliance costs will not increase in the future with respect to the CCPA and CPRA or any other recently passed consumer privacy regulation.

We Outside the U.S., an increasing number of laws, regulations, and industry standards may not be able to complete our initial business combination during the Extension Period, in which case we would cease all operations except for the purpose of winding up govern data privacy and we would redeem our public shares and liquidate.

We may not be able to find a suitable target business and complete our initial business combination during the Extension Period. Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility in the capital and debt markets and the other risks described herein. security. For example, the COVID-19 pandemic continues European Union's General Data Protection Regulation ("**EU GDPR**") and the United Kingdom's GDPR ("**UK GDPR**") impose strict requirements for processing personal data. Under the EU GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to grow both 20 million Euros or 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Non-compliance with the UK GDPR may result in substantially similar adverse consequences to those in relation to the EU GDPR, including monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher.

In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the U.S. or other countries due to data localization requirements or limitations on cross-border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("**EEA**") and the United Kingdom have significantly restricted the transfer of personal data to the U.S. and globally other countries whose privacy laws it believes are not adequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and while cross- border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the extent EEA and UK to the U.S. in compliance with law, such as the EEA and UK's standard contractual clauses, these mechanisms are subject to legal challenges, and there is no assurance that Complete Solaria can satisfy or rely on these measures to lawfully transfer personal data to the U.S. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the U.S., or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of its operations, the need to relocate part of or all of its business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against its processing or transferring of personal data necessary to operate its business. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the EU GDPR's cross-border data transfer limitations.

Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations and policies, could result in additional cost and liability to us damage our reputation, inhibit sales and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations and policies that are applicable to our business may limit the use and adoption of, and reduce the overall demand for, its solutions. If we are not able to adjust to changing laws, regulations and standards related to privacy or security, our business may be harmed.

Any unauthorized access to or disclosure or theft of personal information we gather, store or use could harm our reputation and subject us to claims or litigation.

We receive, store and use personal information of customers, including names, addresses, e-mail addresses, and other housing and energy use information. We also store information of dealers, including employee, financial and operational information. We rely on the availability of data collected from customers and dealers in order to manage our business and market our offerings. We take certain steps in an effort to protect the security, integrity and confidentiality of the impact of the pandemic on us personal information collected, stored or transmitted, but there is no guarantee inadvertent or unauthorized use or disclosure will depend on future developments, it could limit not occur or third parties will not gain unauthorized access to this information despite our efforts. Although we take precautions to provide for disaster recovery, our ability to complete our initial business combination, including as a result of increased market volatility, decreased market liquidity recover systems or data may be expensive and third-party financing being unavailable on terms acceptable may interfere with normal operations. Also, although we obtain assurances from such third parties that they will use reasonable safeguards to us or at all. Additionally, the COVID-19 pandemic may negatively impact businesses we may seek to acquire. If we have not completed our initial business combination within such time period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (less taxes payable and up to $100,000 of interest income to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, liquidate and dissolve, subject, in each case, to our obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

You are not entitled to protections normally afforded to investors of many other blank check companies.

Since the net proceeds of our initial public offering and the sale of the private placement warrants are intended to be used to complete an initial business combination with a target business that has not been selected, secure their systems, we may be deemed adversely affected by unavailability of their systems or unauthorized use or disclosure or its data maintained in such systems. Because techniques used to be a "blank check" company under the United States securities laws. However, because we have net tangible assets in excess of $5,000,000 as of the completion of our initial public offering obtain unauthorized access or sabotage systems change frequently and the sale of the private placement warrants and we filed a Current Report on Form 8-K, including an audited balance sheet demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors generally are not identified until they are launched against a target, our suppliers or vendors and our dealers may be afforded the benefits unable to anticipate these techniques or protections of those rules. Among other things, this means our units were immediately tradable and we have a longer period of time to complete our initial business combination than do companies subject to Rule 419. Moreover, if our initial public offering were subject to Rule 419, that rule would have prohibited the release of any interest earned on funds held in the trust account to us unless and until the funds in the trust account were released to us in connection with our completion of an initial business combination.implement adequate preventative or mitigation measures.

Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public shareholders may receive only their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, and our warrants will expire worthless.

We expect to encounter competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess similar or greater technical, human and other resources to ours or more local industry knowledge than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. Additionally, the number of blank check companies looking for business combination targets has increased compared to recent years and many of these blank check companies are sponsored by entities or persons that have significant experience with completing business combinations. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of our initial public offering and the sale of the private placement warrants, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, we are obligated to offer holders of our public shares the right to redeem their shares for cash at the time of our initial business combination in conjunction with a shareholder vote or via a tender offer. Target companies will be aware that this may reduce the resources available to us for our initial business combination. Any of these obligations may place us at a competitive disadvantage in successfully negotiating a business combination. If we are unable to complete our initial business combination, our public shareholders may receive only their pro rata portion of the funds in the trust account that are available for distribution to public shareholders, which may only be $10.00 per share or possibly less in certain circumstances, and our warrants will expire worthless.

As the number of special purpose acquisition companies increases, there may be more competition to find an attractive target for an initial business combination. This could increase the costs associated with completing our initial business combination and may result in our inability to find a suitable target for our initial business combination.

In recent years, the number of special purpose acquisition companies that have been formed has increased substantially. Many companies have entered into business combinations with special purpose acquisition companies, and there are still many special purpose acquisition companies seeking targets for their initial business combination, as well as many additional special purpose acquisition companies currently in registration. As a result, at times, fewer attractive targets may be available, and it may require more time, effort and resources to identify a suitable target for an initial business combination.

In addition, because there are more special purpose acquisition companies seeking to enter into an initial business combination with available targets, the competition for available targets with attractive fundamentals or business models may increase, which could cause target companies to demand improved financial terms. Attractive deals could also become scarcer for other reasons, such as economic or industry sector downturns, geopolitical tensions or increases in the cost of additional capital needed to close business combinations or operate targets post-business combination. This could increase the cost of, delay or otherwise complicate or frustrate our ability to find a suitable target for and/or complete our initial business combination.

Subsequent to our completion of our initial business combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and the price of our securities, which could cause you to lose some or all of your investment.

Even if we conduct extensive due diligence on a target business with which we combine, we cannot assure you that this diligence will identify all material issues that may be present with a particular target business that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our control will not later arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining debt financing to partially finance the initial business combination or thereafter. Accordingly, any shareholders or warrant holders who choose to remain shareholders or warrant holders following the business combination could suffer a reduction in the value of their securities. Such shareholders or warrant holders are unlikely to have a remedy for such reduction in value.

Cyberattacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in critical systems, disruption of customers' operations, loss or damage to data delivery systems, unauthorized release of confidential or otherwise protected information, corruption of data and increased costs to prevent, respond to or mitigate cybersecurity events. In addition, certain cyber incidents, such as advanced persistent threats, may remain undetected for an extended period.

Unauthorized use, disclosure of or access to any personal information maintained by us or on the behalf of us, whether through breach of our systems, breach of the systems of our suppliers, vendors or dealers by an unauthorized party or through employee or contractor error, theft or misuse or otherwise, could harm our business. If third parties bring claims against us, the funds held in the trust account any such unauthorized use, disclosure of or access to such personal information were to occur, our operations could be reduced seriously disrupted and the per-share redemption amount received we could be subject to demands, claims and litigation by shareholders may be substantially less than $10.00 per share. private parties and investigations, related actions and penalties by regulatory authorities.

Our placing In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of funds in federal, state and local laws and regulations relating to the trust account may not protect those funds from third-party claims against us.

Although unauthorized access to, use of or disclosure of personal information. Finally, any perceived or actual unauthorized access to, use of or disclosure of such information could harm our reputation, substantially impair our business, financial condition and results of operations. While we will seek to have all vendors, service providers, prospective target businesses and other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public shareholders, currently maintain cybersecurity insurance, such parties may not execute such agreements, or even if they execute such agreements they insurance may not be prevented sufficient to cover against claims, and we cannot be certain that cyber insurance will continue to be available on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

If we fail to comply with laws and regulations relating to interactions by the company or its dealers with current or prospective residential customers could result in negative publicity, claims, investigations and litigation and adversely affect financial performance.

Our business substantially focuses on solar service agreements and transactions with residential customers. We offer leases, loans and other products and services to consumers by contractors in our dealer networks, who utilize sales people employed by or engaged as third-party service providers of such contractors. We and our dealers must comply with numerous federal, state and local laws and regulations that govern matters relating to interactions with residential consumers, including those pertaining to consumer protection, marketing and sales, privacy and data security, consumer financial and credit transactions, mortgages and refinancings, home improvement contracts, warranties and various means of customer solicitation, including under the laws described below in "*As sales to residential customers have grown, we have increasingly become subject to substantial financing and consumer protection laws and regulations.*" These laws and regulations are dynamic and subject to potentially differing interpretations and various federal, state and local legislative and regulatory bodies may initiate investigations, expand current laws or regulations, or enact new laws and regulations regarding these matters. Changes in these laws or regulations or their interpretation could dramatically affect how we and our dealers do business, acquire customers and manage and use information collected from bringing claims against and about current and prospective customers and the trust account, including, but costs associated therewith. We and our dealers strive to comply with all applicable laws and regulations relating to interactions with residential customers. It is possible, however, these requirements may be interpreted and applied in a manner inconsistent from one jurisdiction to another and may conflict with other rules or our practices or the practices of our dealers.

Although we require dealers to meet consumer compliance requirements, we do not limited control dealers and their suppliers or their business practices. Accordingly, we cannot guarantee they follow ethical business practices such as fair wage practices and compliance with environmental, safety and other local laws. A lack of demonstrated compliance could lead us to fraudulent inducement, breach seek alternative dealers or suppliers, which could increase costs and have a negative effect on business and prospects for growth. Violation of fiduciary responsibility labor or other similar claims, laws by our dealers or suppliers or the divergence of a dealer or supplier's labor or other practices from those generally accepted as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with respect to a claim against our assets, including the funds held ethical in the trust account. If any third party refuses to execute an agreement waiving such claims to the monies held U.S. or other markets in the trust account, our management will consider whether competitive alternatives are reasonably available to us and will only enter into an agreement with such third party if management believes that such third party's engagement would be in the best interests of which the company under does or intends to do business could also attract negative publicity and harm the circumstances. Marcum LLP, our independent registered public accounting firm, and certain underwriters of our initial public offering will not execute agreements with us waiving such claims to the monies held in the trust account. business.

Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third-party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Upon redemption of our public shares, if we have not completed our initial business combination within the prescribed timeframe, or upon the exercise of a redemption right in connection with our initial business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public shareholders could be less than the $10.00 per public share initially held in the trust account, due to claims of such creditors. Our sponsor has agreed that it will be liable to us if and to the extent any claims by a third party (other than Marcum LLP, our independent registered public accounting firm) for services rendered or products sold to us, or a prospective target business with which we have entered into a written letter of intent, confidentiality or other similar agreement or business combination agreement, reduce the amount of funds in the trust account to below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account, if less than $10.00 per public share due to reductions in the value of the trust assets, in each case less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the trust account (whether or not such waiver is enforceable) nor will it apply to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. However, we have not asked our sponsor to reserve for such indemnification obligations, nor have we independently verified whether our sponsor has sufficient funds to

satisfy its indemnity obligations and we believe that our sponsor's only assets are securities of our company. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the trust account, the funds available for our initial business combination and redemptions could be reduced to substantially less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers or directors will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

We may not have sufficient funds to satisfy indemnification claims of our directors and officers.

We have agreed to indemnify our officers and directors to the fullest extent permitted by law. However, our officers and directors have agreed to waive any right, title, interest or claim of any kind in or to any monies in the trust account and to not seek recourse against the trust account for any reason whatsoever. Accordingly, any indemnification provided will be able to be satisfied by us only if (i) we have sufficient funds outside of the trust account or (ii) we consummate an initial business combination. Our obligation to indemnify our officers and directors may discourage shareholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our officers and directors pursuant to these indemnification provisions.

The securities in which we invest the funds held in the trust account could bear a negative rate of interest, which could reduce the value of the assets held in trust such that the per-share redemption amount received by public shareholders may be less than $10.00 per share.

The proceeds held in the trust account will be invested only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act, which invest only in direct U.S. government treasury obligations. While short-term U.S. government treasury obligations currently yield a positive rate of interest, they have briefly yielded negative interest rates in recent years. Central banks in Europe and Japan pursued interest rates below zero in recent years, and the Open Market Committee of the Federal Reserve has not ruled out the possibility that it may in the future adopt similar policies in the United States. In the event that we do not to complete our initial business combination or make certain amendments to our amended and restated memorandum and articles of association, our public shareholders are entitled to receive their pro-rata share of the proceeds held in the trust account, plus any interest income earned thereon (less taxes payable and up to $100,000 of interest income to pay dissolution expenses). Negative interest rates could reduce the value of the assets held in trust such that the per-share redemption amount received by public shareholders may be less than $10.00 per share.

If, after we distribute the funds in the trust account to our public shareholders, we file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us that is not dismissed, a bankruptcy or insolvency court may seek to recover such proceeds, and the members of our board of directors may be viewed as having breached their fiduciary duties to our creditors, thereby exposing the members of our board of directors and us to claims of punitive damages.

If, after we distribute the funds in the trust account to our public shareholders, we file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us that is not dismissed, any distributions received by shareholders could be viewed under applicable debtor/creditor and/or bankruptcy or insolvency laws as either a “preferential transfer” or a “fraudulent conveyance.” As a result, a bankruptcy or insolvency court could seek to recover some or all amounts received by our shareholders. In addition, our board of directors may be viewed as having breached its fiduciary duty to our creditors and/or having acted in bad faith, thereby exposing itself and us to claims of punitive damages, by paying public shareholders from the trust account prior to addressing the claims of creditors.

If, before distributing the funds in the trust account to our public shareholders, we file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of our shareholders and the per-share amount that would otherwise be received by our shareholders in connection with our liquidation may be reduced.

If, before distributing the funds in the trust account to our public shareholders, we file a bankruptcy or winding-up petition or an involuntary bankruptcy or winding-up petition is filed against us that is not dismissed, the funds held in the trust account could be subject to applicable bankruptcy or insolvency law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our shareholders. To the extent any bankruptcy claims deplete the trust account, the per-share amount that would otherwise be received by our shareholders in connection with our liquidation may be reduced.

Our directors may decide not to enforce the indemnification obligations of our sponsor, resulting in a reduction in the amount of funds in the trust account available for distribution to our public shareholders.

In the event that the funds in the trust account are reduced below the lesser of (i) $10.00 per public share and (ii) the actual amount per public share held in the trust account as of the date of the liquidation of the trust account if less than $10.00 per public share due to reductions in the value of the trust assets, in each case less taxes payable, and our sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment and subject to their fiduciary duties may choose not to do so in any particular instance if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the trust account available for distribution to our public shareholders may be reduced below $10.00 per share.

The SEC has recently issued proposed rules relating to certain activities of special purpose acquisition companies. Certain of the procedures that we, a potential business combination target or others may determine to undertake in connection with such proposals may increase our costs and the time needed to complete our initial business combination and may constrain the circumstances under which we could complete an initial business combination. The need for compliance with the SPAC Rule Proposals may cause us to liquidate the funds in the Trust Account or liquidate the Company at an earlier time than we might otherwise choose.

On March 30, 2022, the SEC issued proposed rules (the "SPAC Rule Proposals") relating, among other things, to disclosures in SEC filings in connection with business combination transactions between special purpose acquisition companies such as us and private operating companies; the financial statement requirements applicable to transactions involving shell companies; the use of projections by special purpose acquisition companies in SEC filings in connection with proposed business combination transactions; the potential liability of certain participants in proposed business combination transactions; and the extent to which special purpose acquisition companies could become subject to regulation under the Investment Company Act, including a proposed rule that would provide special purpose acquisition companies a safe harbor from treatment as an investment company if they satisfy certain conditions that limit a special purpose acquisition company's duration, asset composition, business purpose and activities. The SPAC Rule Proposals have not yet been adopted, and may be adopted in the proposed form or in a different form that could impose additional regulatory requirements on special purpose acquisition companies. Certain of the procedures that we, a potential business combination target or others may determine to undertake in connection with the SPAC Rule Proposals, or pursuant to the SEC's views expressed in the SPAC Rule Proposals, may increase the costs and time of negotiating and completing an initial business combination, and may constrain the circumstances under which we could complete an initial business combination. The need for compliance with the SPAC Rule Proposals may cause us to liquidate the funds in the trust account or liquidate the Company at an earlier time than we might otherwise choose. Were we to liquidate, our warrants would expire worthless, and our securityholders would lose the investment opportunity associated with an investment in the combined company, including potential price appreciation of our securities.

If we are deemed to be an investment company under the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete our initial business combination. To mitigate the risk of being deemed to be an investment company for purposes of the Investment Company Act, we may instruct trustee of the trust account to liquidate the securities held in the trust account and instead hold all funds in the trust account in a bank deposit account.

If we are deemed to be an investment company under the Investment Company Act, our activities may be restricted, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities, each of which may make it difficult for us to complete our initial business combination. In addition, we may have imposed upon us burdensome requirements, including:
- registration as an investment company with the SEC;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations that we are currently not subject to.

In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading of securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Our business is to identify and complete a business combination and thereafter to operate the post-transaction business or assets for the long term. We do not plan to buy businesses or assets with a view to resell or profit from their resale. We do not plan to buy unrelated businesses or assets or to be a passive investor.

As described further above, From time to time, we have been included in lawsuits brought by the SPAC Rule Proposals relate, among consumer customers of certain contractors in our networks, citing claims based on the sales practices of these contractors. While we have paid only minimal damages to date, we cannot be sure that a court of law would not determine that we are liable for the actions of the contractors in our networks or that a regulator or state attorney general's office may hold us accountable for violations of consumer protection or other matters, applicable laws by. Our risk mitigation processes may not be sufficient to mitigate financial harm associated with violations of applicable law by our contractors or ensure that any such contractor is able to satisfy its indemnification obligations to us. Any significant judgment against us could expose it to broader liabilities, a need to adjust our distribution channels for products and services or otherwise change our business model and could adversely impact the business.

We may be unsuccessful in introducing new services and product offerings.

We intend to introduce new offerings of services and products to both new and existing customers in the future, including home automation products and additional home technology solutions. We may be unsuccessful in significantly broadening our customer base through the addition of these services and products within current markets or in new markets the company may enter. Additionally, we may not be successful in generating substantial revenue from any additional services and products introduced in the future and may decline to initiate new product and service offerings.

Damage to our brand and reputation or change or loss of use of our brand could harm our business and results of operations.

We depend significantly on our reputation for high-quality products, excellent customer service and the brand name "Complete Solaria" to attract new customers and grow our business. If we fail to continue to deliver solar energy systems or energy storage systems within the planned timelines, if our offerings do not perform as anticipated or if we damage any of our customers' properties or delays or cancels projects, our brand and reputation could be significantly impaired. Future technological improvements may allow the company to offer lower prices or offer new technology to new customers; however, technical limitations in our current solar energy systems and energy storage systems may prevent us from offering such lower prices or new technology to existing customers.

In addition, given the sheer number of interactions our personnel or dealers operating on our behalf have with customers and potential customers, it is inevitable that some customers' and potential customers' interactions with us or dealers operating on our behalf will be perceived as less than satisfactory. This has led to instances of customer complaints, some of which have affected our digital footprint on rating websites and social media platforms. If we cannot manage hiring and training processes to avoid or minimize these issues to the circumstances extent possible, our reputation may be harmed and our ability to attract new customers would suffer.

In addition, if we were to no longer use, lose the right to continue to use or if others use the "Complete Solaria" brand, we could lose recognition in the marketplace among customers, suppliers and dealers, which special purpose acquisition companies such could affect our business, financial condition, results of operations and would require financial and other investment and management attention in new branding, which may not be as us could potentially be subject to successful.

Our success depends on the Investment Company Act continuing contributions of key personnel.

We rely heavily on the services of our key executive officers and the regulations thereunder. The SPAC Rule Proposals would provide a safe harbor for such companies loss of services of any principal member of the management team could adversely affect operations. There have been, and from time to time there may continue to be, changes in our management team resulting from the definition hiring or departure of "investment company" under Section 3(a)(1)(A) executives and key employees, or the transition of executives within our business, which could disrupt our business.

We are investing significant resources in developing new members of management as we complete our restructuring and strategic transformation. We also anticipate that over time we will need to hire a number of highly skilled technical, sales, marketing, administrative, and accounting personnel. The competition for qualified personnel is intense in this industry. We may not be successful in attracting and retaining sufficient numbers of qualified personnel to support its anticipated growth. We cannot guarantee that any employee will remain employed with us for any definite period of time since all employees, including key executive officers, serve at-will and may terminate their employment at any time for any reason.

If we or our dealers or suppliers fail to hire and retain sufficient employees and service providers in key functions, our growth and ability to timely complete customer projects and successfully manage customer accounts would be constrained.

To support growth, we and our dealers need to hire, train, deploy, manage and retain a substantial number of skilled employees, engineers, installers, electricians and sales and project finance specialists. Competition for qualified personnel in this industry has increased substantially, particularly for skilled personnel involved in the Investment Company Act, provided that a special purpose acquisition company satisfies certain criteria, including a limited time period to announce installation of solar energy systems. We and complete a de-SPAC transaction. Specifically, to comply our dealers also compete with the safe harbor, the SPAC Rule Proposals would require a company homebuilding and construction industries for skilled labor. These industries are cyclical and when participants in these industries seek to file a report hire additional workers, it puts upward pressure on Form 8-K announcing us and our dealers' labor costs. Companies with whom our dealers compete to hire installers may offer compensation or incentive plans that it has entered into an agreement with a target company for a business combination no later than 18 months after the effective date of its registration statement for its initial public offering. The company would then be required to complete its initial business combination no later than 24 months after the effective date of the registration statement for its initial public offering.

There is currently some uncertainty concerning the applicability of the Investment Company Act to a special purpose acquisition company. We completed our initial public offering in March 2021 and have operated certain installers may view as a blank check company searching for a target business with which to consummate a business combination since such time. more favorable. As a result, it is possible that a claim our dealers may be unable to attract or retain qualified and skilled installation personnel. The further unionization of the industry's labor force or the homebuilding and construction industries' labor forces could be made that we have been operating as an unregistered investment company. also increase our dealers' labor costs.

The amounts held in Shortages of skilled labor could significantly delay a project or otherwise increase dealers' costs. Further, we need to continue to increase the trust account have, since our initial public offering and until the 24-month anniversary of our initial public offering, been invested only in United States "government securities" within the meaning of Section 2(a)(16) training of the Investment Company Act having customer service team to provide high-end account management and service to homeowners before, during and following the point of installation of its solar energy systems. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. It can take several months before a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under new customer service team member is fully trained and productive at the Investment Company Act which invest only in direct U.S. government treasury obligations. The longer that the funds in the trust account are held in U.S. government securities or in money market funds invested exclusively in such securities, the greater risk that we may be considered an unregistered investment company, in which case we may be required to liquidate. To mitigate the risk of us being deemed to have been operating as an unregistered investment company, prior to the 24-month anniversary of the consummation of our initial public offering, we instructed Continental, the trustee with respect to the trust account, to liquidate the U.S. government treasury obligations or money market funds held in the trust account and to hold all funds in the trust account in cash in a bank deposit account. Interest on the bank deposit account is variable and yields materially less than the trust account's prior investments in U.S. government treasury obligations and money market funds.

If we were deemed to be subject to the Investment Company Act, compliance with these additional regulatory burdens would require additional expenses for which we have not allotted funds and may hinder our ability to complete a business combination. standards established by us. If we are unable to complete hire, develop and retain talented customer service or other personnel, we may not be able to grow our initial business combination, our public shareholders business.

Our operating results and ability to grow may only receive their pro rata portion of the funds fluctuate from quarter to quarter and year to year, which could make future performance difficult to predict and could cause operating results for a particular period to fall below expectations.

Our quarterly and annual operating results and its ability to grow are difficult to predict and may fluctuate significantly. We have experienced seasonal and quarterly fluctuations in the trust account that are available for distribution past and expect to public shareholders, and our warrants will expire worthless. The trust account is intended as a holding place for funds pending the earliest to occur of either: (i) the completion of our initial business combination; (ii) the redemption of any public shares properly submitted in connection with a shareholder vote to amend our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity; or (iii) absent an initial business combination during the Extension Period, our return of the funds held experience such fluctuations in the trust account future. In addition to our public shareholders as part of our redemption of the public shares. other risks described in this "Risk Factors" section, the following factors could cause operating results to fluctuate:

- expiration or initiation of any governmental rebates or incentives;

Our warrants are accounted for as liabilities and the changes in value of our warrants could have a material effect on our financial results.

- significant fluctuations in customer demand for our solar energy services, solar energy systems and energy storage systems;
- our dealers' ability to complete installations in a timely manner;

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled "Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies (the "SEC Statement"). Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those contained in the warrant agreement governing our warrants.

- our and our dealers' ability to gain interconnection permission for an installed solar energy system from the relevant utility;
- the availability, terms and costs of suitable financing;
- the amount, timing of sales and potential decreases in value of Solar Renewable Energy Certificates ("SRECs");
- our ability to continue to expand its operations and the amount and timing of expenditures related to this expansion;

- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital-raising activities or commitments;
- changes in our pricing policies or terms or those of competitors, including centralized electric utilities;
- actual or anticipated developments in competitors' businesses, technology or the competitive landscape; and
- natural disasters or other weather or meteorological conditions.

For these or other reasons, the results of any prior quarterly or annual periods should not be relied upon as indications of our future performance.

Our ability to obtain insurance on the terms of any available insurance coverage could be materially adversely affected by international, national, state or local events or company-specific events, as well as the financial condition of insurers.

Our insurance policies cover legal and contractual liabilities arising out of bodily injury, personal injury or property damage to third parties and are subject to policy limits.

However, such policies do not cover all potential losses and coverage is not always available in the insurance market on commercially reasonable terms. In addition, we may have disagreements with insurers on the amount of recoverable damages and the insurance proceeds received for any loss of, or any damage to, any of our assets may be claimed by lenders under financing arrangements or otherwise may not be sufficient to restore the loss or damage without a negative impact on its results of operations. Furthermore, the receipt of insurance proceeds may be delayed, requiring us to use cash or incur financing costs in the interim. To the extent our experiences covered losses under its insurance policies, the limit of our coverage for potential losses may be decreased or the insurance rates it has to pay increased. Furthermore, the losses insured through commercial insurance are subject to the credit risk of those insurance companies. While we believe our commercial insurance providers are currently creditworthy, we cannot assure such insurance companies will remain so in the future.

We may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. The insurance coverage obtained may contain large deductibles or fail to cover certain risks or all potential losses. In addition, our insurance policies are subject to annual review by insurers and may not be renewed on similar or favorable terms, including coverage, deductibles or premiums, or at all. If a significant accident or event occurs for which we are not fully insured or the company suffers losses due to one or more of its insurance carriers defaulting on their obligations or contesting their coverage obligations, it could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to breaches of our information technology systems, which could lead to disclosure of internal information, damage to our reputation or relationships with dealers, suppliers, and customers, and disrupt access to online services. Such breaches could subject us to significant reputational, financial, legal, and operational consequences.

Our business requires the use and storage of confidential and proprietary information, intellectual property, commercial banking information, personal information concerning customers, employees, and business partners, and corporate information concerning internal processes and business functions. Malicious attacks to gain access to such information affects many companies across various industries, including ours.

Where appropriate, we use encryption and authentication technologies to secure the transmission and storage of data. These security measures may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management, or other irregularity or malicious effort, and result in persons obtaining unauthorized access to data.

We devote resources to network security, data encryption, and other security measures to protect our systems and data, but these security measures cannot provide absolute security. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, target end users through phishing and other malicious techniques, and/or may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or implement adequate preventative measures. As a result, included on we may experience a breach of our consolidated balance sheet systems in the future that reduces our ability to protect sensitive data. In addition, hardware, software, or applications we develop or procures from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deceiving team members, contractors and temporary staff. If we experience, or are perceived to have experienced, a significant data security breach, fail to detect and appropriately respond to a significant data security breach, or fail to implement disclosure controls and procedures that provide for timely disclosure of data security breaches deemed material to our business, including corrections or updates to previous disclosures, we could be exposed to a risk of loss, increased insurance costs, remediation and prospective prevention costs, damage to our reputation and brand, litigation and possible liability, or government enforcement actions, any of which could detrimentally affect our business, results of operations, and financial condition.

We may also share information with contractors and third-party providers to conduct business. While we generally review and typically request or require such contractors and third-party providers to implement security measures, such as encryption and authentication technologies to secure the transmission and storage of December 31, 2022 contained elsewhere data, those third-party providers may experience a significant data security breach, which may also detrimentally affect our business, results of operations, and financial condition as discussed above. See also under this section, "*We may be required to file claims against other parties for infringing its intellectual property that may be costly and may not be resolved in this Annual Report our favor*." We rely substantially upon trade secret laws and contractual restrictions to protect our proprietary rights, and, if these rights are derivative liabilities not sufficiently protected, our ability to compete and generate revenue could suffer.

As sales to residential customers have grown, we have increasingly become subject to consumer protection laws and regulations.

As we continue to seek to expand our retail customer base, our activities with customers are subject to consumer protection laws that may not be applicable to other businesses, such as federal truth-in-lending, consumer leasing, telephone and digital marketing, and equal credit opportunity laws and regulations, as well as state and local finance laws and regulations. Claims arising out of actual or alleged violations of law may be asserted against us by individuals or governmental entities and may expose the company to significant damages or other penalties, including fines. In addition, our affiliations with third-party dealers may subject the company to alleged liability in connection with actual or alleged violations of law by such dealers, whether or not actually attributable to us, which may expose us to significant damages and penalties, and we may incur substantial expenses in defending against legal actions related to embedded features contained within third-party dealers, whether or not ultimately found liable.

The competitive environment in which we operate often requires the undertaking of customer obligations, which may turn out to be costlier than anticipated and, in turn, materially and adversely affect our warrants. Accounting Standards Codification 815, "Derivatives business, results of operations and Hedging" ("ASC 815" financial condition.

We are often required, at the request of our end customer, to undertake certain obligations such as:

- system output performance warranties; and
- system maintenance.

Such customer obligations involve complex accounting analyses and judgments regarding the timing of revenue and expense recognition, and in certain situations these factors may require us to defer revenue or profit recognition until projects are completed or until contingencies are resolved, which could adversely affect revenues and profits in a particular period.

We are subject to risks associated with construction, cost overruns, delays, regulatory compliance and other contingencies, any of which could have a material adverse effect on its business and results of operations.

We are a licensed contractor in certain communities that we service and are ultimately responsible as the contracting party for every solar energy system installation. A significant portion of our business depends on obtaining and maintaining required licenses in various jurisdictions. All such licenses are subject to audit by the relevant government agency. Our failure to obtain or maintain required licenses could result in the termination of certain of our contracts. For example, we hold a license with California's Contractors State License Board (the "**CSLB**"), provides and that license is currently under probation with the CSLB. If we fail to comply with the CSLB's law and regulations, it could result in termination of certain of our contracts, monetary penalties, extension of the license probation period or revocation of its license in California. In addition, we may be liable, either directly or through its solar partners, to homeowners for any damage we causes to them, their home, belongings or property during the installation of our systems. For example, we either directly or through its solar partners, frequently penetrate homeowners' roofs during the installation process and may incur liability for the remeasurement failure to adequately weatherproof such penetrations following the completion of construction. In addition, because the fair value solar energy systems we or our solar partners deploy are high voltage energy systems, we may incur liability for failing to comply with electrical standards and manufacturer recommendations.

Further, we or our solar partners may face construction delays or cost overruns, which may adversely affect our or our solar partners' ability to ramp up the volume of such derivatives at each balance sheet date, installation in accordance with a resulting non-cash gain our plans. Such delays or loss related to the change in the fair value being recognized in earnings in the statements of operations. As overruns may occur as a result of a variety of factors, such as labor shortages, defects in materials and workmanship, adverse weather conditions, transportation constraints, construction change orders, site changes, labor issues and other unforeseen difficulties, any of which could lead to increased cancellation rates, reputational harm and other adverse effects.

In addition, the recurring installation of solar energy systems, energy storage systems, and other energy-related products requiring building modifications are subject to oversight and regulation in accordance with national, state, and local laws and ordinances relating to building, fire, and electrical codes, safety, environmental protection, utility interconnection and metering, and related matters. We also rely on certain employees to maintain professional licenses in many of the jurisdictions in which we operate, and the failure to employ properly licensed personnel could adversely affect our licensing status in those jurisdictions. It is difficult and costly to track the requirements of every individual authority having jurisdiction over our installations and to design solar energy systems to comply with these varying standards. Any new government regulations or utility policies pertaining to our systems may result in significant additional expenses to homeowners and us and, as a result, could cause a significant reduction in demand for solar service offerings.

While we have a variety of stringent quality standards that the company applies in the selection of its solar partners, we do not control our suppliers and solar partners or their business practices. Accordingly, we cannot guarantee that they follow our standards or ethical business practices, such as fair value measurement, wage practices and compliance with environmental, safety and other local laws. A lack of demonstrated compliance could lead us to seek alternative suppliers or contractors, which could increase costs and result in delayed delivery or installation of our financial statements products, product shortages or other disruptions of its operations. Violation of labor or other laws by our suppliers and solar partners or the divergence of a supplier's or solar partners' labor or other practices from those generally accepted as ethical in the U.S. or other markets in which we do business could also attract negative publicity and harm our business, brand and reputation in the market.

Our management has identified conditions that raise substantial doubt about our ability to continue as a going concern.

Since our inception, we have incurred losses and negative cash flows from operations. We incurred net losses of $269.6 million and $29.5 million, during the fiscal years ended December 31, 2023 and 2022, respectively, and had an accumulated deficit of $354.9 million and current debt of $61.9 million as of December 31, 2023. We had cash and cash equivalents of $2.6 million as of December 31, 2023, which were held for working capital expenditures. These conditions raise substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern requires that we obtain sufficient funding to meet our obligations and finance our operations.

If we are not able to secure adequate additional funding when needed, we will need to reevaluate our 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 our business, results of operations may fluctuate quarterly based and future prospects. There can be no assurance that in the event we require additional financing, such financing will be available on factors which terms that are outside of 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 our control. Due ability to the recurring fair value measurement, we achieve our intended business objectives.

We expect that we will recognize non-cash gains need to raise additional funding to finance our operations. This additional financing may not be available on acceptable terms or at all. Failure to obtain this necessary capital when needed may force us to curtail planned programs or cease operations entirely.

Our operations have consumed significant amounts of cash since inception. We expect to incur significant operating expenses as we continue to grow our business. We believe that our operating losses and negative operating cash flows will continue into the foreseeable future.

We had cash and cash equivalents of $2.6 million as of December 31, 2023. Our cash position raises substantial doubt regarding our ability to continue as a going concern for 12 months after the consolidated financial statements issuance. We will require substantial additional capital to continue operations. Such additional capital might not be available when we need it and our actual cash requirements might be greater than anticipated. We cannot be certain that additional capital will be available on our warrants each reporting period and that the amount of such gains or losses attractive terms, if at all, when needed, which could be material. dilutive to stockholders, and our financial condition, results of operations, business and prospects could be materially and adversely affected.

We have identified material weaknesses in our internal controls over financial reporting. If we are unable to maintain effective internal controls over financial reporting and disclosure controls and procedures, the accuracy and timeliness of our financial and operating reporting may be adversely affected, and confidence in our operations and disclosures may be lost.

In connection with the preparation and audit of our financial statements for the years ended December 31, 2022 and 2021, and our consolidated financial statements for the year ended December 31, 2023, our management identified a material weakness in our internal control over financial reporting. This material weakness could continue to adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our management is likewise required, on a quarterly basis, to evaluate the effectiveness of our internal controls and to disclose any changes and material weaknesses identified through such evaluation in those internal controls. 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 interim consolidated financial statements will not be prevented or detected on a timely basis. The material weakness is as follows:

As described elsewhere in this Annual Report, we determined that a material weakness exists in our internal control over financial reporting related to the accounting for complex financial instruments, accrued expenses and accounts payable, and foreign exchange transactions. As a result of this material weakness, our management concluded that our internal control over financial reporting was not effective as of December 31, 2022. This material weakness resulted in a material misstatement of our warrant liabilities, change in fair value of warrant liabilities, additional paid-in capital, accumulated deficit and related financial disclosures.

- We do not have sufficient full-time accounting personnel, (i) to enable appropriate reviews over the financial close and reporting process, (ii) to allow for appropriate segregation of duties, and (iii) with the requisite experience and technical accounting knowledge to identify, review and resolve complex accounting issues under generally accepted accounting principles in the U.S. (“GAAP”). Additionally, we did not adequately design and/or implement controls related to conducting a formal risk assessment process.

To respond to this material weakness, we have devoted, and plan to continue to devote, significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we are enhancing these processes to better evaluate our research and understanding of the nuances of the complex accounting standards that apply to our financial statements, including providing enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects.

Any failure to maintain such internal control could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our ordinary shares are listed, the SEC or other regulatory authorities. In either case, there could result a material adverse effect on our business. Failure to timely file will cause us to be ineligible to utilize short form registration statements on Form S-3 or Form S-4, which may impair our ability to obtain capital in a timely fashion to execute our business strategies or issue shares to effect an acquisition. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our securities.

We can give no assurance that the measures we have taken and plan to take in the future will remediate the material weakness identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements.

Our independent registered public accounting firm's report contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a "going concern."

In connection with the preparation and audit of our assessment of going concern considerations in accordance with Financial Accounting Standards Board's Accounting Standards Update 2014-15, "Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern," we have determined that if we are unable to complete a business combination during the Extension Period, then we will cease all operations except consolidated financial statements for the purpose of liquidating. The date for mandatory liquidation and subsequent dissolution, as well as year ended December 31, 2023, our liquidity condition, raise substantial doubt about our ability to continue as management identified a going concern. The financial statements contained elsewhere in this report do not include any adjustments that might result from our inability to continue as a going concern.

We may face litigation and other risks as a result of the material weakness in our internal control over financial reporting. The material weakness is as follows:

- Inventory controls related to the completeness, existence, and cut-off of inventories held at third parties, and controls related to the calculation of adjustments to inventory for items considered excessive and obsolete.

Had such an evaluation been performed, additional control deficiencies may have been identified by the Company's management, and those control deficiencies could have also represented one or more material weaknesses.

Complete Solaria was not required to evaluate internal control over financial reporting as of December 31, 2023 in accordance with the provisions of the Sarbanes-Oxley Act. Had such an evaluation been performed, Complete Solaria's management may have identified additional control deficiencies, and those control deficiencies could have also represented one or more material weaknesses.

As a result of

We have taken certain steps, such as recruiting additional personnel, in addition to utilizing third-party consultants and specialists, to supplement our internal resources, to enhance our internal control environment and plan to take additional steps to remediate the material weaknesses. Although we plan to complete this remediation process as quickly as possible, we cannot estimate how long it will take. We cannot assure that the measures we have taken to date, and may take in the future, will be sufficient to remediate the control deficiencies that led to our material weakness described in "Item 9A. Controls and Procedures," internal control over financial reporting or that such measures will prevent or avoid potential future material weaknesses.

If we face potential for litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims arising from the restatement and material weaknesses in our are not able to maintain effective internal control over financial reporting and disclosure controls and procedures, or if material weaknesses are discovered in future periods, a risk that is significantly increased in light of the preparation complexity of our business, we may be unable to accurately and timely report our financial statements. As position, results of operations, cash flows or key operating metrics, which could result in late filings of the date annual and quarterly reports under the Exchange Act, restatements of this Annual Report, financial statements or other corrective disclosures, an inability to access commercial lending markets, defaults under its secured revolving credit facility and other agreements, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity.

Compliance with occupational safety and health requirements and best practices can be costly, and noncompliance with such requirements may result in potentially significant penalties, operational delays and adverse publicity.

The installation and ongoing operations and maintenance of solar energy systems and energy storage systems requires individuals hired by us, our dealers, or third-party contractors, potentially including employees, to work at heights with complicated and potentially dangerous electrical systems. The evaluation and modification of buildings as part of the installation process requires these individuals to work in locations that may contain potentially dangerous levels of asbestos, lead, mold or other materials known or believed to be hazardous to human health. There is substantial risk of serious injury or death if proper safety procedures are not followed. Our operations are subject to regulation by the Occupational Safety and Health Administration ("OSHA") and the Department of Transportation ("DOT") and equivalent state and local laws. Changes to OSHA or DOT requirements, or stricter interpretation or enforcement of existing laws or regulations, could result in increased costs. If we fail to comply with applicable OSHA or DOT regulations, even if no work-related serious injury or death occurs, we may be subject to civil or criminal enforcement and be required to pay substantial penalties, incur significant capital expenditures or suspend or limit operations. Because individuals hired by us or on our behalf to perform installation and ongoing operations and maintenance of the company's solar energy systems and energy storage systems, including its dealers and third-party contractors, are compensated on a per project basis, they are incentivized to work more quickly than installers compensated on an hourly basis. While we have no knowledge not experienced a high level of injuries to date, this incentive structure may result in higher injury rates than others in the industry and could accordingly expose the company to increased liability. Individuals hired by or on behalf of us may have workplace accidents and receive citations from OSHA regulators for alleged safety violations, resulting in fines. Any such accidents, citations, violations, injuries or failure to comply with industry best practices may subject us to adverse publicity, damage its reputation and competitive position and adversely affect the business.

Our business has benefited from the declining cost of solar energy system components, but it may be harmed if the cost of such components stabilizes or increases in the future.

Our business has benefited from the declining cost of solar energy system components and to the extent such costs stabilize, decline at a slower rate or increase, our future growth rate may be negatively impacted. The declining cost of solar energy system components and the raw materials necessary to manufacture them has been a key driver in the price of our solar energy systems, and the prices charged for electricity and customer adoption of solar energy. Solar energy system component and raw material prices may not continue to decline at the same rate as they have over the past several years or at all. In addition, growth in the solar industry and the resulting increase in demand for solar energy system components and the raw materials necessary to manufacture them may also put upward pressure on prices. An increase of solar energy system components and raw materials prices could slow growth and cause business and results of operations to suffer. Further, the cost of solar energy system components and raw materials has increased and could increase in the future due to tariff penalties, duties, the loss of or changes in economic governmental incentives or other factors.

Product liability claims against us could result in adverse publicity and potentially significant monetary damages.

It is possible our solar energy systems or energy storage systems could injure customers or other third parties or our solar energy systems or energy storage systems could cause property damage as a result of product malfunctions, defects, improper installation, fire or other causes. Any product liability claim we face could be expensive to defend and may divert management's attention. The successful assertion of product liability claims against us could result in potentially significant monetary damages, potential increases in insurance expenses, penalties or fines, subject the company to adverse publicity, damage our reputation and competitive position and adversely affect sales of solar energy systems or energy storage systems. In addition, product liability claims, injuries, defects or other problems experienced by other companies in the residential solar industry could lead to unfavorable market conditions to the industry as a whole and may have an adverse effect on our ability to expand its portfolio of solar service agreements and related solar energy systems and energy storage systems, thus affecting our business, financial condition and results of operations.

Our warranty costs may exceed the warranty reserve.

We provide warranties that cover parts performance and labor to purchasers of our solar modules. We maintain a warranty reserve on our financial statements, and our warranty claims may exceed the warranty reserve. Any significant warranty expenses could adversely affect our financial condition and results of operations. Significant warranty problems could impair our reputation which could result in lower revenue and a lower gross margin.

We are subject to legal proceedings and regulatory inquiries and may be named in additional claims or legal proceedings or become involved in regulatory inquiries, all of which are costly, distracting to our core business and could result in an unfavorable outcome or harm our business, financial condition, results of operations or the trading price for our securities.

We are involved in claims, legal proceedings that arise from normal business activities. In addition, from time to time, third parties may assert claims against us. We evaluate all claims, lawsuits and investigations with respect to their potential merits, our potential defenses and counter claims, settlement or litigation potential and the expected effect on us. In the event that we are involved in significant disputes or are the subject of a formal action by a regulatory agency, we could be exposed to costly and time-consuming legal proceedings that could result in any number of outcomes. Although outcomes of such actions vary, any claims, proceedings or regulatory actions initiated by or against us whether successful or not, could result in expensive costs of defense, costly damage awards, injunctive relief, increased costs of business, fines or orders to change certain business practices, significant dedication of management time, diversion of significant operational resources or some other harm to the business. In any of these cases, our business, financial condition or results of operations could be negatively impacted. We make a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed at least quarterly and adjusted to reflect the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter. Depending on the nature and timing of any such litigation controversy, an unfavorable resolution of a matter could materially affect our future business, financial condition or dispute. However, results of operations, or all of the foregoing, in a particular quarter.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified directors and officers.

We will face increased legal, accounting, administrative and other costs and expenses as a public company that we can provide no assurance did not incur as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the rules and regulations promulgated and to be promulgated thereunder, the PCAOB and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time- consuming. A number of those requirements will require us to carry out activities we had not done previously.

If any issues in complying with those requirements are identified (for example, if we or the auditors identify a material weakness or significant deficiency in the internal control over financial reporting), we could incur additional costs rectifying those issues, and the existence of those issues could adversely affect our reputation or investor perceptions of it. It may also be more expensive to obtain director and officer liability insurance. Risks associated with our status as a public company may make it more difficult to attract and retain qualified persons to serve on our board of directors or as executive officers. The additional reporting and other obligations imposed by these rules and regulations will increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require us to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by stockholders and third parties may also prompt additional changes in governance and reporting requirements, which could further increase costs.

Our ability to use net operating loss carryforwards and certain other tax attributes may be limited.

We have incurred substantial losses during our history and do not expect to become profitable in the near future and may never achieve profitability. Under current U.S. federal income tax law, unused losses for the tax year ended December 31, 2017 and prior tax years will carry forward to offset future taxable income, if any, until such litigation or dispute unused losses expire, and unused federal losses generated after December 31, 2017 will not arise expire and may be carried forward indefinitely but will be only deductible to the extent of 80% of current year taxable income in any given year. Many states have similar laws.

In addition, both current and future unused net operating loss ("**NOL**") carryforwards and other tax attributes may be subject to limitation under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the "Code"), if a corporation undergoes an "ownership change," generally defined as a greater than 50 percentage point change (by value) in equity ownership by certain stockholders over a three-year period. The Business Combination may have resulted in an ownership change for us and, accordingly, our NOL carryforwards and certain other tax attributes may be subject to limitations (or disallowance) on their use after the Business Combination. Our NOL carryforwards may also be subject to limitation as a result of prior shifts in equity ownership. Additional ownership changes in the future. Any such litigation or dispute, whether successful or future could result in additional limitations on our NOL carryforwards. Consequently, even if we achieve profitability, we may not be able to utilize a material portion of our NOL carryforwards and other tax attributes, which could have a material adverse effect on our business, results of operations and financial condition or our ability to complete our initial business combination.

Compliance obligations under the Sarbanes-Oxley Act may make it more difficult for us to effectuate our initial business combination, require substantial financial and management resources, and increase the time and costs of completing an initial business combination.

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and report on our system of internal controls. Only in the event we are deemed to be a large accelerated filer or an accelerated filer, and no longer qualify as an emerging growth company, will we be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The fact that we are a blank check company makes compliance with the requirements of the Sarbanes-Oxley Act particularly burdensome on us as compared to other public companies because a target business with which we seek to complete our initial business combination may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of its internal controls. The development of the internal controls of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such business combination.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination, cash flow and results of operations.

We are***The trading price of our common stock may be volatile, and you could lose all or part of your investment.***

Fluctuations in the price of our securities could contribute to the loss of all or part of your investment. Prior to the Business Combination, there was no public market for Solaria's stock and trading in the shares of our common stock (prior to consummation of the Business Combination, "FACT Common Stock") was not active. Accordingly, the valuation ascribed to Solaria and FACT Common Stock in the Business Combination may not have been indicative of the price that will prevail in the trading market following the Business Combination. If an active market for our securities develops and continues, the trading price of our securities could be volatile and subject to laws and regulations enacted by national, regional and local governments. In particular, we will be required wide fluctuations in response to comply with certain SEC and other legal requirements, various factors, some of which are beyond our business combination may be contingent on our ability to comply with certain laws and regulations and any post-business combination company may be subject to additional laws and regulations. Compliance with, and monitoring control. Any of applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time, including as a result of changes in economic, political, social and government policies, and those changes the factors listed below could have a material adverse effect on your investment in our business, including securities and our ability to negotiate securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and complete may experience a further decline.

Factors affecting the trading price of our initial business combination, and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, and results of operations. securities:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;

Cyber incidents or attacks directed at us could result in information theft, data corruption, operational disruption and/or financial loss.

- changes in the market's expectations about our operating results;

- success of competitors;

We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss.

- our operating results failing to meet the expectation of securities analysts or investors in a particular period;
- changes in financial estimates and recommendations by securities analysts concerning us or the market in general;
- operating and stock price performance of other companies that investors deem comparable to us;

- our ability to develop product candidates;

Risks Associated with Our Securities

- changes in laws and regulations affecting our business;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- the volume of shares of our securities available for public sale
- any major change in our board of directors or management;
- sales of substantial amounts of common stock by our directors, executive officers or significant stockholders or the perception that such sales could occur; and
- general economic and political conditions such as recessions, interest rates, fuel prices, international currency fluctuations and acts of war or terrorism.

If securities or industry analysts do not publish or cease publishing research or reports about us, our business, or our market, or if they change their recommendations regarding our securities adversely, the price and Redemption trading volume of our securities could decline.

The trading market for our securities is influenced by the research and reports that industry or securities analysts may publish about us, our business, our market, or our competitors. If any of the analysts who currently cover us change their recommendation regarding our stock adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst who currently cover us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline. If we obtain additional coverage and any new analyst issues, an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our operating results fail to meet the expectations of analysts, our stock price could decline.

A market for our securities may not continue, which would adversely affect the liquidity and price of our securities.

The NYSE price of our securities may delist fluctuate significantly due to general market and economic conditions and an active trading market for our securities may not be sustained. In addition, the price of our securities can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports. If our securities are not listed on, or become delisted from Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

There can be no assurance that we will be able to comply with the continued listing standards of Nasdaq.

If Nasdaq delists our securities from trading on its exchange which could limit investors' ability for failure to make transactions in our securities and subject us to additional trading restrictions.

Our units, Class A ordinary shares and warrants are listed on the NYSE. We cannot assure you that our securities will continue to be listed on the NYSE in the future or prior to our initial business combination. In order to continue listing our securities on the NYSE prior to our initial business combination, we must maintain certain financial, distribution and share price levels. Generally, following our initial public offering, we must maintain a minimum amount in Shareholders' equity (generally $2,500,000) and a minimum number of holders of our securities (generally 300 public holders). Additionally, in connection with our initial business combination, we will be required to demonstrate compliance with the NYSE's initial listing requirements, which are more rigorous than the NYSE's continued listing requirements, in order to continue to maintain meet the listing of standards, we and our securities on the NYSE. For instance, in order for our Class A ordinary shares to be listed upon the consummation of our initial business combination, at such time, our share price would generally be required to be at least $4.00 per share, our global market capitalization would be required to be at least $200 million, the aggregate market value of publicly-held shares would be required to be at least $100 million and we would be required to have at least 400 round lot holders. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If the NYSE delists any of our securities from trading on its exchange and we are not able to list such securities on another national securities exchange, we expect our securities stockholders could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A ordinary shares are common stock is a "penny stock" which will require brokers trading in our Class A ordinary shares common stock to adhere to more stringent rules, and possibly result resulting in a reduced level of trading activity in the secondary trading market for our securities;

  common stock;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Because our units and our Class A ordinary shares and warrants are listed on the NYSE, our units, Class

A ordinary shares and warrants qualify as covered securities under the statute. Although the states are preempted from regulating the sale of covered securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, other than the State of Idaho, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on the NYSE, our securities would not qualify as covered securities under the statute and we would be subject to regulation in each state in which we offer our securities.

Our initial shareholders control***Sales of a substantial interest number of our common stock in us and thus may exert a substantial influence on actions requiring a shareholder vote, potentially in a manner that you do not support. the public market by our shareholders could cause the price of our common stock to decline.***

Our initial shareholders own approximately 20% Sales of a substantial number of shares of our issued and outstanding ordinary shares and only holders of Class B ordinary shares will have common stock in the right public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to appoint or remove directors in any general meeting held prior to or in connection with the completion sell, substantial amounts of our initial business combination. Accordingly, our initial shareholders may exert a substantial influence on actions requiring a shareholder vote, potentially in a manner that you do not support, including amendments to our amended and restated memorandum and articles of association. If our initial shareholders purchase any additional Class A ordinary shares common stock in the aftermarket or in privately negotiated transactions, this would increase their control. Neither our initial shareholders nor, to our knowledge, any of our officers or directors, have any current intention to purchase additional securities. Factors that would be considered in making such additional purchases would include consideration of public market, the current trading market price of our Class A ordinary shares. In addition, our board of directors, whose members were appointed by our sponsor, is and will be divided into three classes, each of which will generally serve for a term of three years with only one class of directors being appointed in each year. We may not hold an annual general meeting to appoint or remove new directors prior to the completion of our initial business combination, in which case all of the current directors will continue in office until at least the completion of the business combination. If there is an annual general meeting prior to our initial business combination, as a consequence of our "staggered" board of directors, only a minority of the board of directors will be considered for appointment and our initial shareholders, because of their ownership position, will control the outcome. In addition, we have agreed not to enter into a definitive agreement regarding an initial business combination without the prior written consent of NextG. Accordingly, our initial shareholders will continue to exert control at least until the completion of our initial business combination. common stock could decline.

We***Provisions in our Certificate of Incorporation and Bylaws and provisions of the Delaware General Corporation Law may not hold delay or prevent an annual general meeting until after acquisition by a third party that could otherwise be in the consummation interests of shareholders.***

Our Certificate of Incorporation and Bylaws contain several provisions that may make it more difficult or expensive for a third party to acquire control of us without the approval of our initial business combination, board. These provisions, which could may delay, prevent or deter a merger, acquisition, tender offer, proxy contest, or other transaction that stockholders may consider favorable, include the opportunity for our shareholders to appoint directors. following:

- advance notice requirements for stockholder proposals and director nominations;

In accordance with NYSE corporate governance requirements, we are not required to hold an annual general meeting until one year after our first fiscal year end following our listing on the NYSE. There is no requirement under the Companies Act for us to hold annual or extraordinary general meetings to appoint directors. Until we hold an annual general meeting, public shareholders may not be afforded the opportunity to appoint directors and to discuss company affairs with management. Our board of directors is divided into three classes with only one class of directors being appointed in each year and each class (except for those directors appointed prior to our first general meeting) serving a three-year term. In addition, as holders of our Class A ordinary shares, our public shareholders will not have the right to vote on the appointment of directors until after the consummation of our initial business combination.

- provisions limiting stockholders' ability to call special meetings of stockholders and to take action by written consent;
- restrictions on business combinations with interested stockholders;
- no cumulative voting; and
- the ability of the board of directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used, among other things, to institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions by such acquirer.

Provisions in These provisions of our amended Certificate of Incorporation and restated memorandum Proposed Bylaws could discourage potential takeover attempts and articles of association may inhibit a takeover of us, which could limit reduce the price that investors might be willing to pay for the shares of our common stock in the future, for our Class A ordinary shares and which could entrench management.

Our amended and restated memorandum and articles of association contain provisions that may discourage unsolicited takeover proposals that shareholders may consider to be in their best interests. These provisions include a staggered board of directors and reduce the ability of the board of directors to designate the terms of and issue new series of preferred shares, which may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Our letter agreement with our initial shareholders, sponsor, officers and directors, subscription agreements, and registration rights agreement may be amended without shareholder approval.

Our letter agreement with our initial shareholders, sponsor, officers and directors contains provisions relating to transfer restrictions price of our founder shares and private placement warrants, indemnification of the trust account, waiver of redemption rights and participation in liquidating distributions from the trust account. The letter agreement, subscription agreements, and the registration rights agreement may be amended, and provisions therein may be waived, without shareholder approval. On June 6, 2022, we amended our letter agreement to permit us to pay China Bridge Capital, which is an affiliate of NextG, for certain advisory services and investment banking services to us in connection with a potential business combination. common stock.

You will not have any rights or interests in funds from the trust account, except under certain limited circumstances. Therefore, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

Our public shareholders will be entitled to receive funds from the trust account only upon the earliest to occur of: (i) our completion of an initial business combination, and then only in connection with those Class A ordinary shares that such shareholder properly elected to redeem, subject to the limitations and on the conditions described herein, (ii) the redemption of any public shares properly submitted in connection with a shareholder vote to amend our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity, and (iii) the redemption of our public shares if we have not completed an initial business combination during the Extension Period, subject to applicable law and as further described herein. In no other circumstances will a public shareholder have any right or interest of any kind in the trust account. Holders of warrants will not have any right to the funds held in the trust account with respect to the warrants. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

If a shareholder fails to receive notice of our offer to redeem our public shares in connection with our initial business combination, or fails to comply with the procedures for submitting or tendering its shares, such shares may not be redeemed.

We will comply with the proxy rules or tender offer rules, as applicable, when conducting redemptions in connection with our initial business combination. Despite our compliance with these rules, if a shareholder fails to receive our proxy materials or tender offer documents, as applicable, such shareholder may not become aware of the opportunity to redeem its shares. In addition, proxy materials or tender offer documents, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will describe the various procedures that must be complied with in order to validly tender or submit public shares for redemption. For example, we intend to require our public shareholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in "street name," to, at the holder's option, either deliver their share certificates to our transfer agent, or to deliver their shares to our transfer agent electronically prior to the date set forth in the proxy materials or tender offer documents, as applicable. In the case of proxy materials, this date may be up to two business days prior to the scheduled vote on the proposal to approve the initial business combination. In addition, if we conduct redemptions in connection with a shareholder vote, we intend to require a public shareholder seeking redemption of its public shares to also submit a written request for redemption to our transfer agent two business days prior to the scheduled vote in which the name of the beneficial owner of such shares is included. In the event that a shareholder fails to comply with these or any other procedures disclosed in the proxy or tender offer materials, as applicable, its shares may not be redeemed. See the section of this Annual Report entitled "Item 1. Business— Delivering Share Certificates in Connection with the Exercise of Redemption Rights."

If we seek shareholder approval of our initial business combination and we do not conduct redemptions pursuant to the tender offer rules, and if you or a "group" of shareholders are deemed to hold in excess of 15% of our Class A ordinary shares, you will lose the ability to redeem all such shares in excess of 15% of our Class A ordinary shares.

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated memorandum and articles of association provide that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15% of the shares sold in our initial public offering, which we refer to as the "Excess Shares," without our prior consent. However, we would not be restricting our shareholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination. Your inability to redeem the Excess Shares will reduce your influence over our ability to complete our initial business combination and you could suffer a material loss on your investment in us if you sell Excess Shares in open market transactions. Additionally, you will not receive redemption distributions with respect to the Excess Shares if we complete our initial business combination. And as a result, you will continue to hold that number of shares exceeding 15% and, in order to dispose of such shares, would be required to sell your shares in open market transactions, potentially at a loss.

If we are unable to consummate our initial business combination within the allotted time period, our public shareholders may be forced to wait beyond the Extension Period before redemption from our trust account.

If we are unable to consummate our initial business combination within the allotted time period, the funds then on deposit in the trust account, including interest earned on the funds held in the trust account (less taxes payable and up to $100,000 of interest income to pay dissolution expenses), will be used to fund the redemption of our public shares, as further described herein. Any redemption of public shareholders from the trust account will be effected automatically by function of our amended and restated memorandum and articles of association prior to any voluntary winding up. If we are required to wind-up, liquidate the trust account and distribute such amount therein, pro rata, to our public shareholders, as part of any liquidation process, such winding up, liquidation and distribution must comply with the applicable provisions of the Companies Act. In that case, investors may be forced to wait beyond the allotted time period before the redemption proceeds of our trust account become available to them, and they receive the return of their pro rata portion of the funds from our trust account. We have no obligation to return funds to investors prior to the date of our redemption or liquidation unless, prior thereto, we consummate our initial business combination or amend certain provisions of our amended and restated memorandum and articles of association and only then in cases where investors have properly sought to redeem their Class A ordinary shares. Only upon our redemption or any liquidation will public shareholders be entitled to distributions if we are unable to complete our initial business combination within the required time period and do not amend certain provisions of our amended and restated memorandum and articles of association prior thereto.

Our shareholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares.

If we are forced to enter into an insolvent liquidation, any distributions received by shareholders could be viewed as an unlawful payment if it was proved that immediately following the date on which the distribution was made, we were unable to pay our debts as they fall due in the ordinary course of business. As a result, a liquidator could seek to recover some or all amounts received by our shareholders. Furthermore, our directors may be viewed as having breached their fiduciary duties to us or our creditors and/or may have acted in bad faith, thereby exposing themselves and our company to claims, by paying public shareholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons. We and our directors and officers who knowingly and willfully authorized or permitted any distribution to be paid out of our share premium account while we were unable to pay our debts as they fall due in the ordinary course of business would be guilty of an offence and may be liable to a fine of $18,293 and to imprisonment for five years in the Cayman Islands.

You will not be permitted to exercise your warrants unless we register and qualify the underlying Class A ordinary shares or certain exemptions are available.

If the issuance of the Class A ordinary shares upon exercise of the warrants is not registered, qualified or exempt from registration or qualification under the Securities Act and applicable state securities laws, holders of warrants will not be entitled to exercise such warrants and such warrants may have no value and expire worthless. In such event, holders who acquired their warrants as part of a purchase of units will have paid the full unit purchase price solely for the Class A ordinary shares included in the units.

We have not registered, and will not register the Class A ordinary shares issuable upon exercise of the warrants under the Securities Act or any state securities laws at this time. However, under the terms of the warrant agreement, we have agreed that, as soon as practicable, but in no event later than 15 business days, after the closing of our initial business combination, we will use our commercially reasonable efforts to file with the SEC a registration statement covering the registration under the Securities Act of the issuance of the Class A ordinary shares issuable upon exercise of the warrants and thereafter will use our commercially reasonable efforts to cause the same to become effective within 60 business days following our initial business combination and to maintain a current prospectus relating to the Class A ordinary shares issuable upon exercise of the warrants until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. We cannot assure you that we will be able to do so if, for example, any facts or events arise which represent a fundamental change in the information set forth in the registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current, complete or correct or the SEC issues a stop order.

If the Class A ordinary shares issuable upon exercise of the warrants are not registered under the Securities Act, under the terms of the warrant agreement, holders of warrants who seek to exercise their warrants will not be permitted to do so for cash and, instead, will be required to do so on a cashless basis, in which case the number of Class A ordinary shares that the holders of warrants will receive upon cashless exercise will be based on a formula subject to a maximum number of shares equal to 0.361 Class A ordinary shares per warrant (subject to adjustment).

In no event will warrants be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration or qualification is available.

If our Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, not permit holders of warrants who seek to exercise their warrants to do so for cash and, instead, require them to do so on a cashless basis in accordance with Section 3(a)(9) of the Securities Act; in the event we so elect, we will not be required to file or maintain in effect a registration statement or register or qualify the shares underlying the warrants under applicable state securities laws, and in the event we do not so elect, we will use our commercially reasonable efforts to register or qualify the shares underlying the warrants under applicable state securities laws to the extent an exemption is not available.

In no event will we be required to net cash settle any warrant, or issue securities (other than upon a cashless exercise as described above) or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under the Securities Act or applicable state securities laws.

The grant of registration rights to our initial shareholders and holders of our private placement warrants may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of our Class A ordinary shares.

Pursuant to an agreement that was entered into concurrently with the consummation of our initial public offering, our initial shareholders and their permitted transferees can demand that we register the resale of the Class A ordinary shares into which founder shares are convertible, holders of our private placement warrants and their permitted transferees can demand that we register the resale of the private placement warrants and the Class A ordinary shares issuable upon exercise of the private placement warrants, and holders of warrants that may be issued upon conversion of working capital loans may demand that we register the resale of such warrants or the Class A ordinary shares issuable upon exercise of such warrants. We will bear the cost of registering these securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A ordinary shares. In addition, the existence of the registration rights may make our initial business combination more costly or difficult to conclude. This is because the shareholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A ordinary shares that is expected when the ordinary shares owned by our initial shareholders, holders of our private placement warrants or holders of our working capital loans or their respective permitted transferees are registered for resale.

We may amend The provision of our Certificate of Incorporation requiring exclusive venue in the terms Court of Chancery in the State of Delaware and the federal district courts of the warrants in a manner that U.S. for certain types of lawsuits may be adverse to holders have the effect of public warrants with the approval by the holders of at least 65% of the then outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened discouraging lawsuits against directors and the number of Class A ordinary shares purchasable upon exercise of a warrant could be decreased, all without your approval. officers.

Our warrants are issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement Certificate of Incorporation provides that, the terms of the warrants may be amended without the consent of any holder unless otherwise consented to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder of public warrants if holders of at least 65% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 65% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or shares, shorten the exercise period or decrease the number of Class A ordinary shares purchasable upon exercise of a warrant.

A provision of our warrant agreement may make it more difficult for us to consummate an initial business combination.

If (i) we issue additional ordinary shares or equity-linked securities for capital-raising purposes in connection with the closing of our initial business combination at a Newly Issued Price of less than $9.20 per Class A ordinary share, (ii) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination (net of redemptions), and (iii) the volume weighted average trading price of our Class A ordinary shares during the 20 trading day period starting on the trading day prior to the day on which we consummate our initial business combination (such price, the "Market Value") of our Class A ordinary shares is below $9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the $10.00 and $18.00 per share redemption trigger prices will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively. This may make it more difficult for us to consummate an initial business combination with a target business.

We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.

We have the ability to redeem the outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, if, among other things, the last reported sales price of our Class A ordinary shares equals or exceeds $18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders (the "Reference Value"). If and when the warrants become redeemable by us we may exercise our redemption right even if we are unable to register or qualify in writing, the underlying securities for sale under all applicable state securities laws. Redemption Court of the outstanding warrants as described above could force you to (i) exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (iii) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, we expect would be substantially less than the Market Value of your warrants. None of the private placement warrants will be redeemable by us so long as they are held by our sponsors or their permitted transferees.

In addition, we have the ability to redeem the outstanding warrants at any time after they become exercisable and prior to their expiration, at a price of $0.10 per warrant if, among other things, the Reference Value equals or exceeds $10.00 per share (as adjusted). In such a case, the holders will be able to exercise their warrants prior to redemption for a number of our Class A ordinary shares determined based on the redemption date and the fair market value of our Class A ordinary shares. The value received upon exercise of the warrants (1) may be less than the value the holders would have received if they had exercised their warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the warrants, including because the number of ordinary shares received is capped at 0.361 of our Class A ordinary shares per warrant (subject to adjustment) irrespective of the remaining life of the warrants.

Our warrants may have an adverse effect on the market price of our Class A ordinary shares and make it more difficult to effectuate our initial business combination.

We have issued warrants to purchase 8,625,000 Class A ordinary shares and, simultaneously with the closing of our initial public offering, we issued in a private placement an aggregate of 6,266,667 private placement warrants, at $1.50 per warrant. In addition, as described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," our sponsor and its affiliates made working capital loans to us in the aggregate amount of $1,325,000, which are convertible into 883,333 private placement warrants, at a price of $1.50 per warrant. If our sponsor makes any additional working capital loans, it may convert those loans into up to an additional 450,000 private placement warrants, at the price of $1.50 per warrant. To the extent we issue ordinary shares to effectuate a business transaction, the potential for the issuance of a substantial number of additional Class A ordinary shares upon exercise of these warrants could make us a less attractive acquisition vehicle to a target business. Such warrants, when exercised, will increase the number of issued and outstanding Class A ordinary shares and reduce the value of the Class A ordinary shares issued to complete the business transaction. Therefore, our warrants may make it more difficult to effectuate a business transaction or increase the cost of acquiring the target business.

Because each unit contains one-fourth of one redeemable warrant and only a whole warrant may be exercised, the units may be worth less than units of other special purpose acquisition companies.

Each unit contains one-fourth of one redeemable warrant. Pursuant to the warrant agreement, no fractional warrants will be issued upon separation of the units, and only whole warrants will trade. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number the number of Class A ordinary shares to be issued to the warrant holder. This is different from other offerings similar to ours whose units include one ordinary share and one whole warrant to purchase one whole share. We have established the components of the units in this way in order to reduce the dilutive effect of the warrants upon completion of a business combination since the warrants will be exercisable in the aggregate for one-fourth of the number of shares compared to units that each contain a whole warrant to purchase one share, thus making us, we believe, a more attractive business combination partner for target businesses. Nevertheless, this unit structure may cause our units to be worth less than if it included a warrant to purchase one whole share.

We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor internal controls attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As a result, our shareholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A ordinary shares held by non-affiliates equals or exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive as a result of our reliance on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company that has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our ordinary shares held by non-affiliates did not exceed $250 million as of the prior June 30, or (2) our annual revenues did not exceed $100 million during such completed fiscal year and the market value of our ordinary shares held by non-affiliates did not equal or exceed $700 million as of the prior June 30. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible.

Our warrant agreement designates the courts Chancery of the State of New York Delaware (or, if the Court of Chancery does not have jurisdiction, another State court in Delaware or the United States District Court federal district court for the Southern District of New York as Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for certain the following types of actions and proceedings that may be initiated by holders of our warrants, which could limit the ability of warrant holders to obtain a favorable judicial forum for disputes with our company. or proceedings:

Our warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction shall be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum.

- any derivative action or proceeding brought on behalf of us;

- any action asserting a claim of breach of a duty (including any fiduciary duty) owed by any of our current or former directors, officers, stockholders, employees or agents to us or our stockholders;

Notwithstanding

- any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents relating to any provision of the Delaware General Corporation Law ("DGCL") or our Certificate of Incorporation or the Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us or any of our current or former directors, officers, stockholders, employees or agents governed by the internal affairs doctrine of the State of Delaware, in each such case unless the Court of Chancery (or such other state or federal court located within the State of Delaware, as applicable) has dismissed a prior action by the same plaintiff asserting the same claims because such court lacked personal jurisdiction over an indispensable party named as a defendant therein.

Our Certificate of Incorporation will further provide that, unless otherwise consented to by us in writing to the foregoing, these provisions selection of the warrant agreement will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which an alternative forum, the federal district courts of the United States of America are U.S. will, to the fullest extent permitted by law, be the sole and exclusive forum. forum for the resolution of any complaint against any person in connection with any offering of our securities, asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in any of our warrants shall securities will be deemed to have notice of and to have consented to this provision.

Although our Certificate of Incorporation contains the choice of forum provisions in our warrant agreement. If described above, it is possible that a court could rule that such provisions are inapplicable for a particular claim or action or that such provisions are unenforceable. For example, under the Securities Act, federal courts have concurrent jurisdiction over all suits brought to enforce any action, duty or liability created by the subject matter of which is within Securities Act, and investors cannot waive compliance with the scope federal securities laws and the rules and regulations thereunder. In addition, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and, therefore, the exclusive forum provisions of our warrant agreement, is filed in a court other than a court of described above do not apply to any actions brought under the State of New York or the United States District Court for the Southern District of New York (a "foreign action") in the name of any holder of our warrants, such holder shall be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an "enforcement action"), and (y) having service of process made upon such warrant holder in any such enforcement action by service upon such warrant holder's counsel in the foreign action as agent for such warrant holder. Exchange Act.

This choice-of-forum provision Although we believe these provisions will benefit us by limiting costly and time-consuming litigation in multiple forums and by providing increased consistency in the application of applicable law, these exclusive forum provisions may limit a warrant holder's the ability of our shareholders to bring a claim in a judicial forum that it finds such shareholders find favorable for disputes with us or our company, directors, officers or employees, which may discourage such lawsuits. Alternatively, if a court were to find this provision of lawsuits against us and our warrant agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in directors, officers and other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors. employees.

Because ***We may be required to repurchase up to 6,720,000 shares of common stock from the investors with whom we are incorporated under entered into Forward Purchase Agreements in connection with the laws closing of the Cayman Islands, you may face difficulties in protecting your interests, and your ability Business Combination, which would reduce the amount of cash available to protect your rights through the U.S. Federal courts may be limited. us to fund our growth plan.***

We are an exempted company incorporated under On and around July 13, 2023, FACT entered into separate Forward Purchase Agreements with certain investors (together, the laws "**FPA Investors**"), pursuant to which FACT (now Complete Solaria following the Closing) agreed to purchase in the aggregate, on the date that is 24 months after the Closing Date (the "**Maturity Date**"), up to 6,720,000 shares of common stock then held by the FPA Investors (subject to certain conditions and purchase limits set forth in the Forward Purchase Agreements). Pursuant to the terms of the Cayman Islands. As a result, it may be difficult for investors Forward Purchase Agreements, each FPA Investor further agreed not to effect service of process within the United States upon our directors or officers, or enforce judgments obtained in the United States courts against our directors or officers.

Our corporate affairs are governed by our amended and restated memorandum and articles of association, the Companies Act (as the same may be supplemented or amended from time to time) and the common law redeem any of the Cayman Islands. We are also subject FACT Class A Ordinary Shares owned by it at such time. The per price at which the FPA Investors have the right to sell the federal securities laws of the United States. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors shares to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited

judicial precedent in the Cayman Islands as well as from English common law, the decisions of whose courts are of persuasive authority, but are not binding on a court in the Cayman Islands. The rights of our shareholders and the fiduciary responsibilities of our directors under Cayman Islands law are different from what they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands has a different body of securities laws as compared to the United States, and certain states, such as Delaware, may have more fully developed and judicially interpreted bodies of corporate law. In addition, Cayman Islands companies may not have standing to initiate a shareholders derivative action in a Federal court of the United States.

We have been advised by Maples and Calder, our Cayman Islands legal counsel, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must Maturity Date will not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere. less than $5.00 per share.

As a result of If the FPA Investors hold some or all of the above, public shareholders may have more difficulty in protecting their interests in 6,720,000 forward purchase agreement shares on the face of actions taken by management, members of Maturity Date, and the board of directors or controlling shareholders than they would as public shareholders of a United States company.

After our initial business combination, it is possible that a majority per share trading price of our directors and officers will live outside common stock is less than the United States and all of our assets will be located outside per share price at which the United States; therefore, investors may not be able FPA Investors have the right to enforce federal securities laws or their other legal rights.

It is possible that after our initial business combination, a majority of our directors and officers will reside outside of sell the United States and all of our assets will be located outside of the United States. As a result, it may be difficult, or in some cases not possible, for investors in the United States common stock to enforce their legal rights, to effect service of process upon all of our directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties on our directors and officers under United States laws.

Risks Associated with Conflicts of Interest

Certain members of our management team may be involved in and have a greater financial interest in the performance of other entities with which they are affiliated, and such activities may create conflicts of interest in making decisions on our behalf.

Certain members of our management team may be subject to a variety of conflicts of interest relating to their responsibilities to our sponsor and other entities with which they are affiliated. Such individuals may serve as members of management or a board of directors (or in similar such capacity) to various other affiliated entities. Such positions may create a conflict between the advice and investment opportunities provided to such entities and the responsibilities owed to us. The other entities in which such individuals may become involved may have investment objectives that overlap with ours. Furthermore, certain of our principals and employees may have a greater financial interest in the performance of such other affiliated entities than our performance. Such involvement may create conflicts of interest in sourcing investment opportunities on our behalf and on behalf of such other entities.

Our officers and directors will allocate their time to other businesses, thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to complete our initial business combination.

Our officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. Our officers may engage in other business endeavors for which he or she may be entitled to, or otherwise expect to receive, substantial compensation or other economic benefit, and our officers are not obligated to contribute any specific number of hours per week to our affairs. Our independent directors also serve as officers and board members for other entities. If our officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs, which may have a negative impact on our ability to complete our initial business combination. For a complete discussion of our officers' and directors' other business affairs, please see "Item 10. Directors, Executive Officers and Corporate Governance — Directors and Executive Officers."

Our officers and directors presently have, and any of them in the future may have additional, fiduciary or contractual obligations to other entities and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Until we consummate our initial business combination, we intend to engage in the business of identifying and combining with one or more businesses. Certain of our officers and directors presently have, and any of them in the future may have, additional fiduciary or contractual obligations to other entities, including NextG and other entities affiliated with NextG, pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to another entity prior to its presentation to us, subject to their fiduciary duties under Cayman Islands law. Our amended and restated memorandum and articles of association provide that, to the fullest extent permitted by applicable law: (i) no individual serving as a director or an officer shall have any duty, except and to the extent expressly assumed by contract, to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as us; and (ii) we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for any director or officer on the one hand, and us on the other.

Maturity Date, we would expect that the FPA Investors will exercise this repurchase right with respect to such shares. In addition, our sponsor and our officers and directors may sponsor, form, invest in or otherwise become involved with other special purpose acquisition companies similar to ours or may pursue other business or investment ventures during the period in which event that we are seeking an initial business combination. Any such companies, businesses required to repurchase these forward purchase agreement shares, or investments may present additional conflicts in the event that the forward purchase agreements are terminated the amount of interest in pursuing an initial business combination. However, we do not believe cash arising from the Business Combination that any such potential conflicts would materially ultimately be available to fund our liquidity and capital resource requirements would be reduced accordingly, which would adversely affect our ability to complete fund our initial business combination. growth plan in the manner we had contemplated when entering into the forward purchase agreements.

For a complete discussion ***Warrants to purchase shares of our officers' common stock may not be exercised at all or may be exercised on a cashless basis and directors' business affiliations and the potential conflicts of interest that you should be aware of, please see "Item 10. Directors, Executive Officers and Corporate Governance — Directors and Executive Officers," "Item 10. Directors, Executive Officers and Corporate Governance — Conflicts of Interest" and "Item 13. Certain Relationships and Related Party Transactions, and Director Independence."***

Our officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests.

We have not adopted a policy that expressly prohibits our directors, officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. In fact, we may enter into a business combination with a target business that is affiliated with our sponsor, our directors or officers. Nor do we have a policy that expressly prohibits not receive any cash proceeds from the exercise of such persons from engaging for their own account in business activities of the types conducted by us. Accordingly, such persons or entities may have a conflict between their interests and ours. warrants.

The personal and financial interests exercise price of warrants to purchase shares of our directors and officers common stock may influence their motivation in timely identifying and selecting a target business and completing a business combination. Consequently, our directors' and officers' discretion in identifying and selecting a suitable target business may result in a conflict be higher than the prevailing market price of interest when determining whether the terms, underlying shares of common stock. The exercise price of such warrants is subject to market conditions and timing may not be advantageous if the prevailing market price of the underlying shares of common stock is lower than the exercise price. The cash proceeds associated with the exercise of such warrants to purchase our common stock are contingent upon our stock price. The value of our common stock will fluctuate and may not align with the exercise price of such warrants at any given time. If such warrants are "out of the money," meaning the exercise price is higher than the market price of our common stock, there is a particular business combination are appropriate and in our shareholders' best interest. If this were the case, it would be high likelihood that warrant holders may choose not to exercise their warrants. As a breach of their fiduciary duties to us as a matter of Cayman Islands law and we or our shareholders might have a claim against such individuals for infringing on our shareholders' rights. However, we might not ultimately be successful in any claim result, we may make against them for not receive any proceeds from the exercise of such reason. warrants.

We may engage Furthermore, with regard to certain warrants to purchase shares of our common stock that were issued in a business combination with one or more target businesses that have relationships with entities that may be affiliated with our initial shareholders, officers, directors or existing holders which may raise potential conflicts of interest.

In light of the involvement of our sponsor, officers and directors with other entities, we may decide to acquire one or more businesses affiliated with our initial shareholders, officers, directors or existing holders, including businesses affiliated with NextG. Our directors also serve as officers and board members for other entities, including, without limitation, those described under "Item 10. Directors, Executive Officers and Corporate Governance — Conflicts of Interest." Such entities may compete with us for business combination opportunities. We may enter into a business combination with an entity affiliated with our initial shareholders, officers, directors or existing holders if we determine that such affiliated entity meets our criteria and guidelines for a business combination as set forth in "Item 1. Business—Effecting our Initial Business Combination—Sources of Target Businesses" and such transaction is approved by a majority of our independent and disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm or a valuation or appraisal firm regarding the fairness to our company from a financial point of view of a business combination with one or more domestic or international businesses affiliated with our initial shareholders, officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to our public shareholders as they would be absent any conflicts of interest.

Moreover, we may, at our option, pursue an affiliated joint acquisition opportunity with one or more affiliates of NextG or with other entities to which an officer or director has a fiduciary, contractual or other obligation or duty. Any such parties may co-invest with us in the target business private placement at the time of our initial business combination, or we could raise additional proceeds to complete the acquisition by issuing equity to any such parties, which may give rise FACT's IPO and warrants issued to certain conflicts selling securityholders in connection with conversion of interest.

Since working capital loans, it is possible that we may not receive cash upon their exercise, since these warrants may be exercised on a cashless basis. A cashless exercise allows warrant holders to convert the warrants into shares of our sponsor, officers and directors will lose their entire investment in us if our initial business combination is not completed (other than with respect to public common stock without the need for a cash payment. Instead of paying cash upon exercise, the warrant holder would receive a reduced number of shares they may acquire), based on a conflict of interest may arise in determining whether predetermined formula. As a particular business combination target is appropriate for our initial business combination.

On December 30, 2020, our sponsor paid $25,000, or approximately $0.003 per share, to cover certain offering costs in exchange for 8,625,000 founder shares (retroactively adjusting for the issuance of 1,437,500 founder shares resulting from a share dividend effected by the Company on February 25, 2021). The purchase price of the founder shares was determined by dividing the amount of cash contributed to the company by result, the number of founder shares issued. Our initial shareholders collectively own approximately 20% of our issued and outstanding shares. Our sponsor currently owns 8,502,500 founder shares and the independent directors each received 25,000 founder shares. The founder shares through a cashless exercise will be worthless lower than if the warrants were exercised on a cash basis, which could impact the cash proceeds we do not complete an initial business combination. receive from the exercise of such warrants.

In addition, our sponsor has purchased an aggregate of 6,266,667 private placement warrants for an aggregate purchase price of $9,400,000, or $1.50 per warrant. The private placement warrants will also be worthless if we do not complete our initial business combination. The personal and financial interests of our officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination. This risk may become more acute as the deadline nears for our completion of an initial business combination.

Our initial shareholders stand to make a substantial profit on the founder shares even if an initial business combination subsequently declines in value or is unprofitable for our public shareholders, and may have an incentive to recommend such an initial business combination to our shareholders.

Our initial shareholders paid an aggregate of $25,000, or approximately $0.003 per founder share. As a result of the low acquisition cost of our founder shares, our initial shareholders could make a substantial profit even if we select and consummate an initial business combination with an acquisition target that subsequently declines in value or is unprofitable for our public shareholders. Thus, they may have more of an economic incentive for us to enter into an initial business combination with a riskier, weaker-performing or financially unstable business, or an entity lacking an established record of revenues or earnings, than would be the case if such parties had paid the full offering price for their founder shares.

Risks Associated with Tax Matters

We believe that we were a passive foreign investment company, or "PFIC," which could result in adverse U.S. federal income tax consequences to U.S. investors.

Because we are a blank check company, with no current active business, we believe that we were a PFIC for our 2020, 2021 and 2022 taxable years. If we were a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. investor that is a holder of our Class A ordinary shares or warrants, the U.S. investor may be subject to adverse U.S. federal income tax consequences and may be subject to additional reporting requirements. We will endeavor to provide to a U.S. investor such information as the Internal Revenue Service ("IRS") may require, including a PFIC annual information statement, in order to enable the U.S. investor to make and maintain a "qualified electing fund" election, but there can be no assurance that we will timely provide such required information, and such election would be unavailable with respect to our warrants in all cases. We urge U.S. investors to consult their own tax advisors regarding the possible application of the PFIC rules. For a more detailed explanation, see the description under the caption "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules" in our final prospectus filed with the Securities and Exchange Commission on March 1, 2021 pursuant to Rule 424(b)(4) under the Securities Act (File No. 333-252940).

We may reincorporate in another jurisdiction in connection with our initial business combination and such reincorporation may result in taxes imposed on shareholders or warrant holders.

We may, in connection with our initial business combination and subject to requisite shareholder approval under the Companies Act, reincorporate in the jurisdiction in which the target company or business is located or in another jurisdiction. The transaction may require a shareholder or warrant holder to recognize taxable income in the jurisdiction in which the shareholder or warrant holder is a tax resident or in which its members are resident if it is a tax transparent entity (or may otherwise result in adverse tax consequences). We do not intend to make any cash distributions to shareholders or warrant holders to pay such taxes. Shareholders or warrant holders may be subject to withholding taxes or other taxes with respect to their ownership of us after the reincorporation.

There may be tax consequences to our business combinations that may adversely affect us or our shareholders.

While we expect to undertake any merger or acquisition so as to minimize taxes both to the acquired business and/or asset and us, such business combination might not meet the statutory requirements of a tax-free reorganization, or the parties might not obtain the intended tax-free treatment upon a transfer of shares or assets. A merger or acquisition that does not qualify as a tax-free reorganization for U.S. tax purposes could result in the imposition of substantial taxes.

Risks Associated with Acquiring and Operating a Business in Foreign Countries

If we effect our initial business combination with a company located outside of the United States, we would be subject to a variety of additional risks that may adversely affect us.

If we pursue a target company with operations or opportunities outside of the United States for our initial business combination, we may face additional burdens in connection with investigating, agreeing to and completing such initial business combination, and if we effect such initial business combination, we would be subject to a variety of additional risks that may negatively impact our operations.

In addition, we would be subject to risks associated with cross-border business combinations, including in connection with investigating, agreeing to and completing our initial business combination, conducting due diligence in a foreign jurisdiction, having such transaction approved by any local governments, regulators or agencies and changes in the purchase price based on fluctuations in foreign exchange rates.

If we effect our initial business combination with such a company, we would be subject to any special considerations or risks associated with companies operating in an international setting, including any of the following:

- costs and difficulties inherent in managing cross-border business operations;
- rules and regulations regarding currency redemption;
- complex corporate withholding taxes on individuals;
- laws governing the manner in which future business combinations may be effected;
- exchange listing and/or delisting requirements;
- tariffs and trade barriers;

- regulations related to customs and import/export matters;
- local or regional economic policies and market conditions;
- unexpected changes in regulatory requirements;
- challenges in managing and staffing international operations;
- longer payment cycles;
- tax issues, such as tax law changes and variations in tax laws as compared to the United States;
- currency fluctuations and exchange controls;
- rates of inflation;
- challenges in collecting accounts receivable;
- cultural and language differences;
- employment regulations;
- underdeveloped or unpredictable legal or regulatory systems;
- corruption;
- protection of intellectual property;
- social unrest, crime, strikes, riots and civil disturbances;
- regime changes and political upheaval;
- terrorist attacks and wars, including the ongoing military conflict between Russia and Ukraine; and
- deterioration of political relations with the United States.

We may not be able to adequately address these additional risks. If we were unable to do so, we may be unable to complete such initial business combination, or, if we complete such initial business combination, our operations might suffer, either of which may adversely impact our business, financial condition and results of operations.

If our management following our initial business combination is unfamiliar with United States securities laws, they may have to expend time and resources becoming familiar with such laws, which could lead to various regulatory issues.

Following our initial business combination, our management may resign from their positions as officers or directors of the company and the management of the target business at the time of the business combination will remain in place. Management of the target business may not be familiar with United States securities laws. If new management is unfamiliar with United States securities laws, they may have to expend time and resources becoming familiar with such laws. This could be expensive and time-consuming and could lead to various regulatory issues which may adversely affect our operations.

After our initial business combination, substantially all of our assets may be located in foreign countries and substantially all of our revenue will be derived from our operations in such countries. Accordingly, our results of operations and prospects will be subject, to a significant extent, to the economic, political and social conditions and government policies, developments and conditions in the countries in which we operate.

The economic, political and social conditions, as well as government policies, of the countries in which our operations are located could affect our business. Economic growth could be uneven, both geographically and among various sectors of the economy and such growth may not be sustained in the future. If in the future such countries' economies experience a downturn or grow at a slower rate than expected, there may be less demand for spending in certain industries. A decrease in demand for spending in certain industries could materially and adversely affect our ability to find an attractive target business with which to consummate our initial business combination and, if we effect our initial business combination, the ability of that target business to become profitable.

Exchange rate fluctuations and currency policies may cause a target business's ability to succeed in the international markets to be diminished.

In the event we acquire a non-U.S. target, all revenues and income would likely be received in a foreign currency or several foreign currencies, and the dollar equivalent of our net assets and distributions, if any, could be adversely affected by reductions in the value of such foreign currencies. The value of the currencies in our target regions fluctuate and are affected by, among other things, changes in political and economic conditions. Any change in the relative value of such currencies against our reporting currency may affect the attractiveness of any target business or, following consummation of our initial business combination, our financial condition and results of operations. Additionally, if a currency appreciates in value against the dollar prior to the consummation of our initial business combination, the cost of a target business as measured in dollars will increase, which may make it less likely that we are able to consummate such transaction.

We may reincorporate in another jurisdiction in connection with our initial business combination, and the laws of such jurisdiction may govern some or all of our future material agreements and we may not be able to enforce our legal rights.

In connection with our initial business combination, we may relocate the home jurisdiction of our business from the Cayman Islands to another jurisdiction. If we determine to do this, the laws of such jurisdiction may govern some or all of our future material agreements. The system of laws and the enforcement of existing laws in such jurisdiction may not be as certain in implementation and interpretation as in the United States. The inability to enforce or obtain a remedy under any of our future agreements could result in a significant loss of business, business opportunities or capital.

We are subject to changing laws and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, for example, the Securities and Exchange Commission, which are charged with the protection of investors and the oversight of companies whose securities are publicly traded, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

We employ a mail forwarding service, which may delay or disrupt our ability to receive mail in a timely manner.

Mail addressed to the Company and received at its registered office will be forwarded unopened to the forwarding address supplied by the Company to be dealt with. None of the Company, its directors, officers, advisors or service providers (including the organization which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address, which may impair your ability to communicate with us.

Item ITEM 1B. Unresolved Staff Comments UNRESOLVED STAFF COMMENTS

None.

Item 2. Property ITEM 1C. CYBERSECURITY

Risk management and strategy

We currently maintain our executive offices at 14 Wall Street, 20th Floor, New York, NY 10005. The cost for the space is included are in the up process of implementing various information security procedures designed to $10,000 monthly fee identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic or competitive in nature.

Our Chief Information Officer, Chief Executive Officer, Vice President of Human Resources and Vice President of Operations help identify, assess and manage the Company's cybersecurity threats and risks. They will identify and assess risks from cybersecurity threats by monitoring and evaluating our threat environment using various methods including, for example manual and automated tools, subscribing to reports and services that identify cybersecurity threats, conducting scans of the threat environment, evaluating threats reported to us, internal and external audits, conducting threat assessments for internal and external threats, third-party threat assessments and conducting vulnerability assessments to identify vulnerabilities.

Depending on the environment, we pay are in the process of implementing various technical, physical, and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our sponsor Information Systems and Data, including, for office space, administrative example: incident response plan, incident detection, vulnerability management policy, network security controls, access controls, physical controls, systems monitoring, vendor risk management program, employee training, penetration testing, systems monitoring.

Our assessment and support services. management of material risks from cybersecurity threats will be integrated into the Company's overall risk management processes. For example, our Information Security Management committee will evaluate material risks from cybersecurity threats against our overall business objectives and reports to the audit committee of the board of directors, which evaluates our overall enterprise risk.

We consider use third-party service providers to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including for example professional services firms, including legal counsel, cybersecurity consultants, cyber security software providers and penetration testing firms.

We use third-party service providers to perform a variety of functions throughout our current office space adequate business, such as application providers and hosting companies.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, see our risk factors under Part I. Item 1A. Risk Factors in this Annual Report on Form 10-K, including *"Any unauthorized access to or disclosure or theft of personal information we gather, store or use could harm our reputation and subject us to claims or litigation."*

Governance

Our board of directors addresses the Company's cybersecurity risk management as part of its general oversight function. The board of directors' audit committee is responsible for our current operations. overseeing Company's cybersecurity risk management processes, including oversight of mitigation of risks from cybersecurity threats.

Our Vice President of Information Technology is responsible for hiring appropriate personnel, helping to integrate cybersecurity risk considerations into the Company's overall risk management strategy, and communicating key priorities to relevant personnel. The Chief Financial Officer is responsible for approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports.

Our cybersecurity incident response Policy is being designed to escalate certain cybersecurity incidents to members of management depending on the circumstances. The Company's Chief Executive Officer and Chief Information officer work to help the Company mitigate and remediate cybersecurity incidents of which they are notified. In addition, the Company's incident response Policy will include reporting to the audit committee of the board of directors for certain cybersecurity incidents.

Item 3. Legal Proceedings ITEM 2. PROPERTIES

To As of December 31, 2023, our major facilities consisted of:

Principal Operations	Facility	Location	Approximate square footage	Ownership	Year When Lease Term Ends
General administrative and operations	Office space	Lehi, UT	6,438	Leased	2024
Headquarters	Office space	Fremont, CA	22,847	Leased	2026

ITEM 3. LEGAL PROCEEDINGS

The information with respect to legal proceedings is set forth under Note 18 – Commitments and Contingencies, in the knowledge accompanying consolidated financial statements in Part II, Item 8 of our management, there this Form 10-K, and is no material litigation, arbitration or governmental proceeding currently pending against us or any members of our management team in their capacity as such. incorporated herein by reference.

Item ITEM 4. Mine Safety Disclosures MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Company Solaria's common stock, par value $0.0001 per share, is traded on the Nasdaq under the symbol "CSLR."

(a) Market Information

Our units, Class A ordinary shares and warrants are each traded on the NYSE under the symbols "FACT.U," "FACT" and "FACT WS," respectively. Our units commenced public trading on February 26, 2021. Our Class A ordinary shares and warrants began separate trading on April 19, 2021.

(b) Holders

On April 3, 2023, As of March, 26, 2024, there was 1 holder of record of our units, 2 were approximately 374 holders of record of our Class A ordinary shares, 6 holders of record of our Class B ordinary shares and 2 common stock. Additionally, there were 198 holders of record of our warrants.

(c) Dividends

We have not paid any cash dividends on our ordinary shares to date and do not intend to pay cash dividends prior to the completion of our initial business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our initial business combination. The payment of any cash dividends subsequent to our initial business combination will be within the discretion of our board of directors at such time. If we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

(d) Securities Authorized for Issuance Under Equity Compensation Plans

None.

(e) Performance Graph

Not applicable.

(f) Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings

Unregistered Sales

On December 30, 2020, our sponsor paid $25,000, or approximately $0.003 per share, to cover certain offering costs in exchange for 8,625,000 founder shares (retroactively adjusting for the issuance Sale of 1,437,500 founder shares resulting from a share dividend effected by the Company on February 25, 2021). Our sponsor transferred 25,000 founder shares each to Noreen Doyle, William Janetschek Equity Securities and David Poritz and an aggregate of 47,500 founder shares to certain employees and consultants. On April 8, 2022, David Poritz resigned from our board of directors and returned his 25,000 founder shares to our sponsor. On May 10, 2022, Nell Cady-Kruse was appointed to our board of directors, and our sponsor transferred 25,000 founder shares to her. As a result, our sponsor now owns 8,502,500 founder shares.

The founder shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to certain adjustments. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with our initial business combination, the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Class A ordinary shares by public shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities issued or deemed issued, by the Company in connection with the consummation of the initial business combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, deemed issued or to be issued, to any seller in the initial business combination and any private placement warrants issued to our sponsor, officers or directors upon conversion of working capital loans; provided that such conversion of founder shares will never occur on a less than one-for-one basis. The term "equity-linked securities" refers to any debt or equity securities that are convertible, exercisable or exchangeable for our Class A ordinary shares issued in a financing transaction in connection with our initial business combination, including but not limited to a private placement of equity or debt.

With certain limited exceptions, the founder shares are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with our sponsor, each of whom are subject to the same transfer restrictions) until the earlier of (A) one year after the completion of our initial business combination or (B) subsequent to our initial business combination, (x) if the last reported sale price of the ordinary shares equals or exceeds $12.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, or (y) the date following the completion of our initial business combination on which we complete a liquidation, merger, share exchange, reorganization or other similar transaction that results in all of our public shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property.

Our sponsor purchased 6,266,667 private placement warrants at a price of $1.50 per warrant in a private placement that occurred concurrently with the closing of our initial public offering and generated gross proceeds of $9,400,000. Each private placement warrant is exercisable for one Class A ordinary share at a price of $11.50 per share. The proceeds from the sale of the private placement warrants were added to the net proceeds from the initial public offering held in the trust account. If we do not complete a business combination during the Extension Period, the private placement warrants will expire worthless. The private placement warrants are non-redeemable and exercisable on a cashless basis so long as they are held by our sponsor or its permitted transferees. The sale of the private placement warrants was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

Use of Proceeds

On March 2, 2021, we consummated our initial The following list sets forth information regarding all unregistered securities sold by Freedom Acquisition I Corp. (“FACT”) since January 1, 2021:

1. On March 2, 2021, FACT consummated the sale of 6,266,667 private placement warrants at a price of $1.50 per private placement warrant in a private placement to the Freedom Acquisition I, LLC, generating gross proceeds of $9,400,000. Each private warrant is exercisable for one share of common stock of the combined company.
2. In July 2023, upon the Closing of the Business Combination, we issued an aggregate of 5,598,488 shares of common stock of the combined company to qualified institutional buyers and accredited investors.
3. In July 2023, upon the Closing of the Business Combination, we issued an aggregate of 716,668 warrants to purchase shares of common stock of the combined company to qualified institutional buyers and accredited investors.
4. In July 2023, upon the Closing of the Business Combination, we issued an aggregate of 6,266,572 warrants to purchase shares of common stock of the combined company to qualified institutional buyers and accredited investors.
5. In December 2023 we issued 1,838,235 shares of our common stock to Rodgers Massey Freedom and Free Markets Charitable Trust for a purchase price of $1.36 per share.
6. In January 2024 and February 2024, we issued Simple Agreements for Future Equity to the Rodgers Family Freedom and Free Markets Charitable Trust in the amounts of $1,500,000.00 and $3,500,000.00, respectively (together the “SAFEs”). The SAFEs will convert into shares of our Common Stock upon the occurrence of an equity financing with the principal purpose of raising capital for Complete Solaria. The SAFEs will convert pursuant to a 20% discount or a $53,540,000.00 valuation cap, whichever results in a lower price per share to the holder.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe each of these transactions was exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D promulgated thereunder) as transactions by an issuer not involving any public offering or Rule 701 promulgated under Section 3(b) of 34,500,000 units, at $10.00 per unit, generating gross proceeds the Securities Act as transactions by an issuer under benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of approximately $345.0 million. the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

In connection with our initial public offering, we incurred offering costs of approximately $19.18 million, inclusive of approximately $12.08 million in deferred underwriting commissions. Other incurred offering costs consisted principally of preparation fees related to our initial public offering. After deducting the underwriting discounts and commissions (excluding the deferred portion, which amount will be payable upon consummation of the initial business combination, if consummated) and our initial public offering expenses, $345.0 million of the net proceeds from our initial public offering and certain of the proceeds from the private placement of the private placement warrants (or $10.00 per unit sold in our initial public offering) was placed in the trust account. The net proceeds of our initial public offering and certain proceeds from the sale of the private placement warrants are held in the trust account and invested as described elsewhere in this Annual Report. Dividends

There has been We have never declared or paid any cash dividend on our common stock and have no material change in the planned use of the proceeds from plans to pay dividends. For more information on our initial public offering common stock and private placement as is described in the Company’s final prospectus (File No. 333-252940) dated February 26, 2021, which was declared effective by the SEC on February 25, 2021.

(g) Purchases of Equity Securities by the Issuer dividend rights, see “Item 8. Financial Statements and Affiliated Purchasers

None.

Item 6. [Reserved] Supplementary Data - Notes to Consolidated Financial Statements - Note 13. Common Stock.”

Item ITEM 6. RESERVED

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The *You should read the following discussion and analysis of the Company's our financial condition and results of operations should be read in conjunction together with our audited the consolidated financial statements and the related notes thereto which are included elsewhere in "Item 8. Financial Statements and Supplementary Data" of this Annual Report. Certain information contained in the Report on Form 10-K. This discussion contains forward-looking statements that involve risks and analysis set forth below includes forward-looking statements. uncertainties. Our actual results may could differ materially from those anticipated discussed below. Factors that could cause or contribute to such differences include those identified below and those discussed in these forward-looking statements as a result of many factors, including those set forth under "Cautionary Note Regarding Forward-Looking Statements and Risk Factor Summary," "Item 1A. Risk the section titled "Risk Factors" and included elsewhere in this Annual Report. Report on Form 10-K. 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 Solaria. 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.

We are a blank check company incorporated fulfill our customer contracts 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 its builder partners. We manage and coordinate this process through our proprietary HelioTrack™ software system.

There is substantial doubt about the entity's ability to continue as a Cayman Islands exempted company going concern within one year after the date that the consolidated financial statements are issued. The accompanying 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 December 23, 2020 for the purpose recoverability and classification of effecting assets or the amounts and classifications of liabilities that may result from uncertainty related to its ability to continue as a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. Our sponsor is Freedom Acquisition I LLC, a Cayman Islands limited liability company. going concern.

Growth Strategy and Outlook

Complete Solaria's 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, 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.

The registration statement for our initial public offering (the "Initial Public Offering") became effective on February 25, 2021. On March 2, 2021, we consummated the Initial Public Offering of 34,500,000 units, which included the exercise of the underwriters' option to purchase an additional 4,500,000 units at the Initial Public Offering price to cover over-allotments (the "Units", and, with respect to the Class A ordinary shares included in the Units, the "Public Shares" and, with respect to the one-fourth of one redeemable warrant included in the Units, the "Public Warrants"), at $10.00 per Unit, generating gross proceeds of $345.0 million, and incurring offering costs of approximately $19.18 million, inclusive of approximately $12.08 million in deferred underwriting commissions. Mergers

Simultaneously 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 closing terms and subject to the conditions of the Initial Public Offering, we consummated 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 private placement 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" ("Private Placement" Third Merger Sub"), with Third Merger Sub surviving as a wholly-owned subsidiary of 6,266,667 warrants (each, a "Private Placement Warrant" and collectively, the "Private Placement Warrants" FACT (the "Additional Merger", and together with the Public Warrants, the "Warrants"), at a price of $1.50 per Private Placement Warrant with the sponsor, generating gross proceeds of approximately $9.4 million.

Upon the closing of the Initial Public Offering First Merger and the Private Placement, approximately $345.0 million ($10.00 per Unit) of Second Merger, the net proceeds of the Initial Public Offering and certain of the proceeds of the Private Placement were placed in a trust account ("Trust Account" "Mergers"), located in the United States with Continental Stock Transfer & Trust Company acting as trustee, and, until the 24-month anniversary of the consummation of our

initial public offering, invested only in United States “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations. To mitigate the risk of us being deemed to have been operating as an unregistered investment company, prior to the 24-month anniversary of the consummation of our initial public offering, we instructed Continental to liquidate the U.S. government treasury obligations or money market funds held in the trust account and to hold all the funds in the trust account in cash in a bank deposit account, until the earlier of: (i) the completion of a business combination and (ii) the distribution of the Trust Account as described below.

If we have not completed a business combination during the Extension Period, we will (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to us to pay our income taxes, if any (less up to $100,000 of interest to pay dissolution expenses) divided by the number of the then-outstanding Public Shares, which redemption will completely extinguish Public Shareholders’ rights as shareholders (including the right to receive further liquidation distributions, if any); and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the board of directors, liquidate and dissolve, subject, in each case, to our obligations under Cayman Islands law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our outstanding Warrants, which will expire worthless if we fail to consummate a business combination within the Combination Period. .

Recent Developments

Second Amendment to The Mergers between Complete Solaria and FACT has been accounted for as a reverse recapitalization. Under this method of accounting, FACT is treated as the Business Combination Agreement

On January 17, 2023, acquired company for financial statement reporting purposes. This determination was primarily based on the Company Complete Solaria, First Merger Sub and Second Merger Sub entered into that certain Second Amendment to Business Combination Agreement (the "Second Amendment") amending the Business Combination Agreement.

The Second Amendment provides that, if the Company and Complete Solaria determine in good faith by January 1, 2023 that it is probable that the Business Combination will be consummated after March 1, 2023, the Company will be required to prepare (with the reasonable cooperation of Complete Solaria) and file with the SEC having a proxy statement pursuant to which it will seek the approval of its shareholders for proposals to amend the Company's organizational documents to extend the time period for the Company to consummate its initial business combination for (x) up to an additional six (6) months, from March 2, 2023 to September 2, 2023 (the original Business Combination Agreement provided for an extension from March 1, 2023 to September 2, 2023) or (y) such other period of time as the Company and Complete Solaria may mutually agree (the original Business Combination Agreement contemplated no such prong (y)). In addition, the Second Amendment amends the Business Combination Agreement by changing the latest permitted Agreement End Date (as defined in the Business Combination Agreement) from September 1, 2023 to September 2, 2023.

Amendment to Amended and Restated Memorandum and Articles

On February 28, 2023, Freedom held the Extraordinary General Meeting of shareholders, at which holders of 35,373,848 ordinary shares, comprised of 26,773,848 Class A ordinary shares and 8,600,000 Class B ordinary shares, were present in person or by proxy, representing approximately 82.02% majority of the voting power of the 43,125,000 Outstanding Shares post-combination company, the Company's senior management comprising substantially all of Freedom entitled to vote at the Extraordinary General Meeting at senior management of the close post-combination company, and the Company's operations comprising the ongoing operations of business on January 23, 2023, the post-combination company. Accordingly, for accounting purposes, the Mergers have been treated as the equivalent of a capital transaction in which was the Record Date Complete Solaria is issuing stock for the Extraordinary General Meeting. net assets of FACT. The Outstanding Shares on the Record Date were comprised net assets of 34,500,000 Class A ordinary shares and 8,625,000 Class B ordinary shares. FACT have been stated at historical cost, with no goodwill or other intangible assets recorded.

At the Extraordinary General Meeting, the shareholders approved, by special resolution, the Extension Amendment Proposal, which extended the date by which Freedom must (i) consummate a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination, which Freedom refers to as its initial business combination, (ii) cease its operations except for the purpose of winding up if it fails to complete such initial business combination, and (iii) redeem all of the Class A ordinary shares, included as part of the units sold in the initial public offering, for an additional three months, from March 2, 2023 to June 2, 2023, and thereafter to up to three (3) times by an additional one month each time (or up to September 2, 2023). The voting results for such proposal were as follows: Disposal Transaction

For	Against	Abstain
35,047,305	326,543	0

In connection with October 2023, we completed the Extension Amendment, public shareholders elected sale of our solar panel business to redeem an aggregate of 23,256,504 Class A ordinary shares at a redemption price of $10.21 per share, representing approximately 67.41% Maxeon, pursuant to the terms of the issued Disposal Agreement. Under the terms of the Disposal Agreement, Maxeon agreed to acquire certain assets and outstanding Class A ordinary shares, employees of Complete Solaria, for an aggregate redemption amount purchase price of approximately $237,372,952. Following such redemptions, approximately $114,759,374 remained $11.0 million consisting of 1,100,000 shares of Maxeon ordinary shares. As of December 31, 2023, we sold all the shares and recorded a loss of $4.2 million in the trust account our consolidated statements of operations and 11,243,496 Class A ordinary shares remain outstanding. comprehensive loss within loss from discontinued operations.

At the Extraordinary General Meeting, the public shareholders also approved the proposal to amend the Trust Agreement, by and between Freedom and Continental, as trustee, to reflect the Extension Amendment. The amendment to the Trust Agreement provides that Continental shall commence liquidation As part of the trust account only Disposal Transaction, we determined that the criteria were met for held for sale and promptly (x) after its receipt of the applicable instruction letter delivered by Freedom in connection with either the consummation of an initial business combination or Freedom's inability to effect an initial business combination within the time frame specified in Freedom's amended and restated memorandum and articles of association or (y) upon the date that is the later discontinued operations classification as of the end of our third fiscal quarter as the Extension Period and such later date as may be approved by Freedom's shareholders divestiture represents a strategic shift in accordance our business. We recorded an impairment of $147.5 million associated with the amended and restated memorandum and articles recording of association, if the aforementioned termination letter has not been received by Continental prior to such date. The voting results assets as held for such proposal were as follows: sale during the year ended December 31, 2023.

For	Against	Abstain
35,047,305	326,543	0

Below, we have discussed our historical results of continuing 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.

Key Financial Definitions/Components of Results of Operations

Revenues

We generate revenue by providing customer solar solutions through a standardized platform to our residential solar providers and companies to facilitate the sale and installation of solar energy systems. Our contracts consist of two performance obligations, which include solar installation services and post-installation services that are performed prior to inspection by the authority having jurisdiction. The significant majority of our service revenue is recognized at a

point in time upon the completion of the installation and the remainder is recognized upon inspection. Service revenue is recognized net of a reserve for the performance guarantee of solar output.

We enter into three types of customer contracts for solar energy installations. The majority of our service revenue is recognized through contracts where the homeowner enters into a power purchase agreement with our distribution partner. We perform the solar energy installation services on behalf of our distribution partner, who owns the solar energy system upon installation. Additionally, we enter into a Solar Purchase and Installation Agreement directly with homeowners, whereby the homeowner either pays cash or obtains financing through a third-party loan partner. In cash contracts with homeowners, we recognize service revenue based on the price we charge to the homeowner. We record service 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.

As part of our service revenue, we also enter into contracts to provide our software enhanced service offerings, including design and proposal services, to customers that include solar installers and solar sales organizations. We perform these leveraging our HelioQuote™ platform and other software tools to create computer aided drawings, structural letters, and electrical reviews for installers and proposals for installers. We charge a fixed fee per service offering, which we recognize in the period the service is performed.

Promissory NoteOperating Expenses

Cost of Revenues

On February 28, 2023 Cost of revenues consists primarily of the cost of solar energy systems, installation and other subcontracting costs. Cost of revenues also includes associated warranty costs, shipping and handling, allocated overhead costs, depreciation, and amortization of internally developed software.

Sales Commissions

Sales commissions are direct and incremental costs of obtaining customer contracts. These costs are paid to 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 our 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. We expect an increase in audit, tax, accounting, legal and other costs related to compliance with applicable securities and other regulations, as well as additional insurance, investor relations, and other costs associated with being a public company.

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 Income (Expense), we issued an unsecured promissory note Net

Other income (expense), net consists of changes in the amount fair value of up our convertible notes, the impact of debt extinguishment, and changes in the fair value of stock warrant liabilities and forward purchase agreements.

Income Tax Expense

Income tax expense primarily consists of income taxes in certain foreign and state 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 $2,100,000 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 sponsor. The proceeds customers, or at all. Such an event could materially adversely affect our business, prospects, financial condition and results of such promissory note, $1,600,000 of which was drawn down immediately, $400,000 of which may be drawn down, with operations.

In addition, the mutual consent of us global supply chain and our sponsor, 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. In an effort to mitigate unpredictable lead times, we experienced a substantial build up in inventory on hand commencing in early 2022 in response to global supply chain constraints. In certain cases, this has caused delays in critical equipment and inventory, longer lead times, and has resulted in cost volatility. These shortages and delays can be attributed in part to the COVID-19 pandemic and resulting government action, as well as broader macroeconomic conditions, and have been exacerbated by the ongoing conflicts in Ukraine and Israel. While we believe that a majority our suppliers have secured sufficient supply to permit them to continue delivery and installations through the end of 2023, if these shortages and delays persist into 2024, they could adversely affect the timing of when battery energy storage systems can be delivered and installed, and when (or if) we wish can begin to extend the date by which we will consummate a business combination beyond June 2, 2023, and $100,000 of which may be drawn down on an as-needed basis at the discretion generate revenue from those systems. If any of our sponsor, suppliers of solar modules experienced disruptions in the supply of the modules' component parts, for example semiconductor solar wafers or investors, 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 be used for general working capital purposes. Such promissory note bears no interest and is payable in full upon the consummation of have on our business, combination. A failure cash flows, liquidity, financial condition and results of operations at this time due to pay numerous uncertainties. Given the principal within five dynamic nature of these circumstances on our ongoing business, days results of operations and overall financial performance, the date specified above or full impact of macroeconomic factors, including the commencement of a voluntary or involuntary bankruptcy action shall conflicts in Ukraine and Israel, cannot be deemed an reasonably estimated at this time. In the event of default, in which case the promissory note may be accelerated. The promissory note shall be forgiven by our sponsor if we are unable to consummate a mitigate the impact of delays or price volatility in solar energy systems, raw materials, and freight, it could materially adversely affect our business, combination within prospects, financial condition and results of operations. For additional information on risk factors that could impact our results, please refer to "*Risk Factors*" located elsewhere in this Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with GAAP. GAAP requires us to make estimates and assumptions that affect the time frame specified reported amounts of assets, liabilities, revenue, expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. In many instances, we could have reasonably used different accounting estimates, and in other instances, changes in the accounting estimates are reasonably likely to occur from period-to-period. Actual results could differ significantly from our amended and restated memorandum and articles of association (as amended from time to time), except estimates. Our future financial statements will be affected to the extent that our actual results materially differ from these estimates. For further information on all of any funds held outside our significant accounting policies, see Note 2 – Summary of Significant Accounting Policies, to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K.

We believe that policies associated with our revenue recognition, product warranties, inventory excess and obsolescence and stock-based compensation have the greatest impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

Revenue Recognition

We recognize revenue when control of goods or services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

Revenue – Solar Energy System Installations

The majority of our revenue is generated from the installation of solar energy systems. We identify two performance obligations, which include installation services and post-installation services, and we recognize revenue when control transfers to the customer, upon the completion of the trust account established installation and upon the solar energy system passes inspection by the authority having jurisdiction, respectively. We apply judgment in connection allocating the transaction price between the installation and post-installation performance obligations, based on the estimated costs to perform our services. Changes in such estimates could have a material impact on the timing of our revenue recognition.

Our contracts with our initial public offering. The issuance customers generally contain a performance guarantee of system output, and we will issue payments to customers if output falls below contractually stated thresholds over the performance guarantee period, which is typically 10 years. We apply judgment in estimating the reduction in revenue associated with the performance guarantee, which is historically not material. However, due to the long-term nature of the promissory note was made pursuant guarantee, changes in future estimates could have a material impact on the estimate of our revenue reserve.

Revenue – Software Enhanced Services

We recognize revenue from software enhanced services, which include proposals generated from our HelioQuote™ platform and design services performed using internally developed and external software applications. We contract with solar installers to generate proposals and we contract with solar sales entities to perform design services for their potential customers. Under each type of customer contract, we generate a fixed number of proposals or designs for the customer in the month the services are contracted. Contracts with customers are enforceable on a month-to-month basis and we recognize revenue each month based on the volume of services performed.

Product Warranties

We typically provide a 10-year warranty on our solar energy system installations, which provides assurance over the workmanship in performing the installation, including roof leaks caused by our performance. For solar panel sales recognized prior to the exemption Disposal Transaction, we provide a 30-year warranty that the products will be free from registration contained defects in Section 4(a)(2) material and workmanship. We record a liability for estimated future warranty claims based on historical trends and new installations. To the extent that warranty claim behavior differs from historical trends, we may experience a material change in our warranty liability.

Inventory Excess and Obsolescence

Our inventory consists of completed solar energy systems and related components, which we classify as finished costs. We record a reserve for inventory which is considered obsolete or in excess of anticipated demand based on a consideration of marketability and product life cycle stage, component cost trends, demand forecasts, historical revenues, and assumptions about future demand and market conditions. We apply judgment in estimating the excess and obsolete inventory, and changes in demand for our inventory components could have a material impact on our inventory reserve balance.

Stock-Based Compensation

We recognize stock-based compensation expense over the requisite service period on a straight-line basis for all stock-based payments that are expected to vest to employees, non-employees and directors, including grants of employee stock options and other stock-based awards. Equity-classified awards issued to employees and non-employees, such as consultants and non-employee directors, are measured at the grant-date fair value of the Securities Act award. Forfeitures are recognized as they occur.

For accounting purposes, prior to the Business Combination, the fair value of 1933, the shares of common stock underlying stock options had historically been determined by our board of directors. Because there had been no public market for our common stock, the board of directors exercised reasonable judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including important developments in our operations, sales of redeemable convertible preferred stock, actual operating results and financial performance, the conditions in the renewable solar energy industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of our common stock, among other factors. Following the Business Combination, the fair value of common stock is based on the closing stock price on the date of grant as amended. reported on the Nasdaq Global Select Market.

We estimate the grant-date fair value of stock options using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock prior to the Mergers, the expected term of the option, the expected volatility of the price of our common stock and expected dividend yield. We determine these inputs as follows:

- Expected Term—Expected term represents the period that our stock-based awards are expected to be outstanding and is determined using the simplified method.
- Expected Volatility—Expected volatility is estimated by studying the volatility of comparable public companies for similar terms.
- Expected Dividend—The Black-Scholes valuation model calls for a single expected dividend yield as an input. We have never paid dividends and have no plans to pay dividends.
- Risk-Free Interest Rate – We derive the risk-free interest rate assumption from the U.S. Treasury's rates for the U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the awards being valued.

If any assumptions used in the Black-Scholes option pricing model change significantly, stock-based compensation for future awards may differ materially compared to the awards granted previously. For the years ended December 31, 2023 and 2022, stock-based compensation expense was $5.2 million and $0.9 million, respectively, of which $2.4 million and $0.5 million, respectively, related to discontinued operations. As of December 31, 2023, we had approximately $20.1 million of total unrecognized stock-based compensation expense related to stock options.

Recent Accounting Pronouncements

A discussion of recently issued accounting standards applicable to Complete Solaria is described in Note 2 – Summary of Significant Accounting Policies, in the accompanying notes to the consolidated financial statements.

Results of Operations

Year ended December 31, 2023 compared to year ended December 31, 2022

In this section, we discuss the results of our operations for fiscal 2023 compared to fiscal 2022. We discuss our cashflows and Known Trends or Future Events current financial condition under "Capital Resources and Liquidity."

The following table sets forth our statements of operations data for the years ended December 31, 2023 and 2022, respectively. We have derived this data from our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. This information should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. The results of historical periods are not necessarily indicative of the results of operations for any future period. Within the tables presented, percentages are calculated based on the underlying whole-dollar amounts and, therefore, may not recalculate exactly from the rounded numbers used for disclosure purposes.

(in thousands)	Years Ended December 31, 2023	2022	$ Change	% Change
Revenues	$ 87,616	$ 66,475	$ 21,141	32 %
Cost of revenues[1]	69,828	46,647	23,181	50 %
Gross profit	17,788	19,828	(2,040)	(10)%
Gross margin %	20 %	30 %		(10)%
Operating expenses:				
Sales commissions	31,127	21,195	9,932	47 %
Sales and marketing[1]	6,920	6,156	764	12 %
General and administrative[1]	32,099	13,634	18,465	135 %
Total operating expenses	70,146	40,985	29,161	71 %
Loss from continuing operations	(52,358)	(21,157)	(31,201)	147 %
Interest expense[2]	(14,033)	(4,986)	(9,047)	181 %
Interest income	36	5	31	*
Other expense, net[3]	(29,862)	(1,858)	(28,004)	*
Loss from continuing operations before taxes	(96,217)	(27,996)	(68,221)	244 %
Income tax benefit (provision)	20	(27)	47	(174)%
Net loss from continuing operations	$ (96,197)	$ (28,023)	$ (68,174)	243 %

* Percentage change not meaningful.

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

	Years Ended December 31, 2023	2022
Cost of revenues	$ 84	$ 22
Sales and marketing	487	168
General and administrative	2,252	243
Total stock-based compensation expense	$ 2,823	$ 433

(2) Includes interest expense to related party of $0.4 million and $0.3 million during the years ended December 31, 2023 and 2022, respectively.

(3) Includes other income from related parties of $0.7 million and $1.4 million during the years ended December 31, 2023 and 2022, respectively.

Revenues

We have neither engaged disaggregate our revenues based on the following types of services (in thousands):

	Years Ended December 31, 2023	2022	$ Change	% Change
Solar energy system installations	$ 84,858	$ 62,896	$ 21,962	35 %
Software enhanced services	2,758	3,579	(821)	(23)
Total revenue	$ 87,616	$ 66,475	$ 21,141	32

Revenues from solar energy system installations for the year ended December 31, 2023 was $84.9 million compared to $62.9 million for the year ended December 31, 2022. The increase in any operations nor generated any solar energy system installation revenues of $22.0 million, or 35%, was primarily due to date. Our only activities since inception have been organizational activities, those necessary to prepare for our Initial Public Offering and identifying a target company for our initial business combination. We do not expect to generate any operating revenues until after completion of our initial business combination. We generate non-operating income an increase in the form volume of interest income on cash and cash equivalents held solar energy systems installations, a portion of which related to the fulfillment of delayed installations experienced in the Trust Account and through changes in the fair value fourth quarter of our warrant liabilities. We incur expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), 2022 due to unusual inclement California weather, as well as for due diligence expenses. an increase in average selling price of solar energy system installations.

For Revenues from software enhanced services for the year ended December 31, 2023 was $2.8 million compared to $3.6 million for the year ended December 31, 2022. The decrease of $0.8 million was the result of a shift in focus towards solar energy installations.

Cost of Revenues

Cost of revenues for the year ended December 31, 2023 was $69.8 million compared to $46.6 million for the year ended December 31, 2022. The increase in cost of revenues of $23.2 million, we had or 50%, was primarily due to the increase in revenues of 32%, higher inventory write-offs and rising costs associated with supply chain constraints.

Gross Margin

Gross margin decreased 10% year over year, from 30% for the year ended December 31, 2022 to 20% for the year ended December 31, 2023. The decrease in gross margin is primarily attributed to the increasing cost of revenues as described above.

Sales Commissions

Sales commissions for the year ended December 31, 2023, increased by $9.9 million, or 47%, compared to the year ended December 31, 2022. The increase in sales commissions was primarily due to the increase in solar system installation revenue of 35% and higher selling costs.

Sales and Marketing

Sales and marketing expense for the year ended December 31, 2023 increased by $0.8 million, or 12%, compared to the year ended December 31, 2022. The increase is primarily attributable to an increase in stock-based compensation expenses due to options issued during the year ended December 31, 2023.

General and Administrative

General and administrative costs for the year ended December 31, 2023 increased by $18.5 million, or 135%, compared to the year ended December 31, 2022. The increase was primarily attributed to increases in contractors and outside services costs of $6.6 million related to the Mergers, payroll of $3.9 million, bad debt expense of $3.4 million, $2.0 million in stock-based compensation expenses due to options and RSUs issued, certain legal expenses of $1.8 million and office occupancy related costs of $1.1 million for the year ended December 31, 2023.

Interest Expense

Interest expense for the year ended December 31, 2023 increased by $9.0 million, or 181%, compared to the year ended December 31, 2022. The increase was primarily attributed $5.4 million of interest related to debt acquired as part of the acquisition of Solaria in November 2022, which was retained upon the divestiture from the business, as well as an increase of $2.7 million in interest expense related to the convertible notes and long-term debt in CS Solis for the year ended December 31, 2023.

Other Expense, Net

Other expense, net income was $29.9 million for the year ended December 31, 2023. The expenses consisted primarily of $5,982,340, which consisted $35.4 million in other expense related to the issuance of an unrealized gain common stock in connection with the FPAs, the loss on extinguishment of debt in CS Solis of $10.3 million, the loss on sale of Maxeon equity securities of $4.2 million, $3.9 million in other expense associated with the change in fair value of our warrant liabilities FPAs, $2.4 million for the issuance of $5,509,917, interest income of $4,821,632 on our amounts held in the Trust Account, reduction of transaction costs incurred bonus shares in connection with IPO the Mergers, $3.0 million relating to expenses relating to disposed operations and other expenses of $271,687, $0.4 million. These expenses were offset by $4,407,058 of operating costs consisting mostly of general and administrative expenses, foreign currency exchange loss of $17,638 and change in the fair value of convertible notes of $196,200.

For the year ended December 31, 2021, we had net income of $5,128,650, which consisted of an unrealized gain on change in fair value of our warrant liabilities of $9,381,750, interest income of $105,681 on our amounts held in the Trust Account, offset by $3,782,028 of operating costs consisting mostly of general and administrative expenses, foreign currency exchange loss of $1,475 and offering expenses $29.3 million related to warrant issuance of $575,278.

We classify the Warrants issued in connection with our Initial Public Offering and Private Placement as liabilities at their fair value and adjust the warrant instruments to fair value at each reporting period. These liabilities are subject to remeasurement at each balance sheet date until exercised, and any change in fair value is recognized in our consolidated statements of operations. As part of the reclassification to warrant liability, we recorded a portion of the offering costs associated with the Initial Public Offering as expense in the consolidated statements of operations in the amount of $575,278 based on a relative fair value basis. For the period from the Initial Public Offering to December 31, 2022, the change in fair value of the Warrants was a decrease in the liability of $14,147,084. Company's warrant liabilities.

Other expense, net was $1.9 million for the year ended December 31, 2022. The expenses consisted primarily of $5.2 million relating to the change of fair value of warrant liabilities, partially offset by a $3.2 million gain on sale of securities and $0.1 million of other income.

Net Loss from Continuing Operations

As a result of the factors discussed above, our net loss from continuing operations for the year ended December 31, 2023 was $96.2 million, an increase of $67.5 million, as compared to a net loss from continuing operations of $28.0 million for the year ended December 31, 2022.

Liquidity and Capital Resources

As Since our inception, we have incurred losses and negative cash flows from operations. We incurred net losses of December 31, 2022 $269.6 million and $29.5 million, we during the fiscal years ended December 31, 2023 and 2022, respectively, and had an accumulated deficit of $354.9 million and current debt of $61.9 million as of December 31, 2023. We had cash outside the Trust Account and cash equivalents of $72,923 in its operating bank accounts, $349,927,313 in marketable securities $2.6 million as of December 31, 2023, which were held in the Trust Account to be used for a business combination, or to repurchase or redeem its stock in connection therewith, and a working capital deficit expenditures. We believe our operating losses and negative operating cash flows will continue into the foreseeable future. We have financed our operations primarily through sales of $5,493,215. As equity securities, issuance of December 31, 2022, none of the amount in the Trust Account was available to be withdrawn as described above.

On each of April 1, 2022 convertible notes and June 6, 2022, we issued an unsecured promissory note in the amount of up to $500,000 to our sponsor (the "Sponsor Notes"). On December 14, 2022, we issued an unsecured promissory note in the amount of up to $325,000 to Tidjane Thiam, Adam Gishen, Edward Zeng, and Abhishek Bhatia (collectively, the "Payees") (such note, together cash generated from operations. Our cash equivalents are on deposit with the Sponsor Notes, the "Convertible Notes"). The proceeds of the Convertible Notes, which may be drawn down from time to time until we consummate our initial business combination, will be used for general working capital purposes. The Convertible Notes bear no interest and are payable in full upon the earlier to occur of (i) twenty-four (24) months from the closing of our initial public offering (or such later date as may be extended in accordance with the terms of our amended and restated memorandum and articles of association) or (ii) the consummation of our business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action shall be deemed an event of default, in which case the Convertible Notes may be accelerated. Prior to our first payment of all or any portion of the principal balance of the Convertible Notes in major financial institutions. Our cash our sponsor and the Payees, as applicable, have the option to convert all, but not less than all, of the principal balance of the Convertible

Notes into private placement warrants (the “Conversion Warrants”), each warrant exercisable for one of our ordinary shares at an exercise price of $1.50 per share. The terms of the Conversion Warrants would be identical to the Private Placement Warrants. Our sponsor and the Payees shall be entitled to certain registration rights relating to the Conversion Warrants. The issuances of the Convertible Notes were made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended. As of December 31, 2022, the Company had drawn a total of $1,225,000 on the Convertible Notes.

In addition, on February 28, 2023, we issued an additional unsecured promissory note in the amount of up to $2,100,000 to our sponsor, as further described under "—Recent Developments—Promissory Note."

We may raise additional capital through loans or additional investments from the sponsor or an affiliate of the sponsor or certain of its directors and officers. The sponsor may, but is not obligated to, lend us funds, from time to time in whatever amounts it deems reasonable in its sole discretion, to meet our working capital needs. There can be no assurance that we will be able to obtain additional financing, however. Moreover, we may need to obtain additional financing either to complete our business combination or because we become obligated to redeem a significant number of its public shares upon consummation of its business combination, in which case we may issue additional securities or incur debt in connection with such business combination. Subject to compliance with applicable securities laws, we would only complete such financing simultaneously with the completion of its business combination.

If we are unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction and reducing overhead expenses. We cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all.

Going Concern

In connection with our assessment of going concern considerations in accordance with Accounting Standards Codification ("ASC") Topic 205-40, "Presentation of Financial Statements – Going Concern," pursuant to its Amended and Restated Certificate of Incorporation, we have until the end of the Extension Period to consummate a business combination. If a business combination is not consummated during the Extension Period, we will have a mandatory liquidation and subsequent dissolution. Although we intend to consummate a business combination during the Extension Period, it is uncertain that we will be able to do so. This, as well as our liquidity condition, raise position raises substantial doubt about regarding our ability to continue as a going concern. No adjustments have been made to concern for 12 months following the carrying amounts issuance of assets or liabilities should we be required to liquidate at the end of the Extension Period.

Contractual Obligations

We do not have any long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or long-term liabilities other than described below.

We have an agreement to pay the sponsor a total of up to $10,000 per month for office space, utilities and secretarial and administrative support services. We began incurring these fees on February 25, 2021 and will continue to incur these fees monthly until the earlier of the completion of the business combination and our liquidation.

We have an agreement to pay the underwriters of our Initial Public Offering a deferred fee of $12,075,000 in the aggregate, which will become payable to them from the amounts held in the Trust Account solely in the event that we complete a business combination, subject to the terms of the underwriting agreement. As of October 25, 2022, and November 2, 2022, respectively, J.P. Morgan Securities LLC and Deutsche Bank Securities Inc. have waived their portions of the deferred underwriting fee which is reflected in the consolidated statement of operations and the consolidated statement of changes in shareholders' deficit as a reduction of transaction costs incurred in connection with IPO. Therefore, the deferred underwriting fee was reduced by $9,056,250, of which $271,687 is shown in the consolidated statement of operations as a reduction of transaction costs incurred in connection with the IPO and $8,784,563 is charged to additional paid-in capital in the consolidated statement of changes in shareholders' deficit. As a result of the reductions, the outstanding deferred underwriting fee payable was reduced to $3,018,750.

Critical Accounting Policies

This management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to fair value of financial instruments and accrued expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes in our critical accounting policies as discussed in the Annual Report on Form 10-K filed by us with the SEC on April 13, 2022.

Our critical accounting policies are presented below:

Class A Ordinary Shares Subject to Possible Redemption

We account for our Class A ordinary shares subject to possible redemption in accordance with the guidance in ASC Topic 480 "Distinguishing Liabilities from Equity." Class A ordinary shares subject to mandatory redemption (if any) are classified as a liability instrument and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, Class A ordinary shares are classified as shareholders' deficit. Our Class A ordinary shares feature certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. Accordingly, as of December 31, 2022 and 2021, 34,500,000 Class A ordinary shares subject to possible redemption are presented at redemption value as temporary equity, outside of the shareholders' deficit section of our consolidated balance sheets.

Derivative Warrant Liabilities

We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. We evaluate all of our financial instruments, including issued share purchase Warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815-15. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period.

We account for our 14,891,667 Warrants issued in connection with our Initial Public Offering (8,625,000) and Private Placement (6,266,667) as derivative warrant liabilities in accordance with ASC 815-40. Accordingly, we recognize the warrant instruments as liabilities at fair value and adjust the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statements of operations. The fair value of the Private Placement Warrants has been estimated using binomial lattice simulations at each measurement date. The fair value of the Public Warrants was initially estimated using Monte Carlo simulations. After the Public Warrants were separately traded, the measurement of the Public Warrants used an observable market quote in an active market.

Net Income per Ordinary Share

We have two classes of shares, which are referred to as Class A ordinary shares and Class B ordinary shares. Earnings and losses are shared pro rata between the two classes of shares. The 14,891,667 potential ordinary shares issuable upon the exercise of the Warrants were excluded from diluted earnings per share for the year ended December 31, 2022 and 2021 because the Warrants are contingently exercisable, and the contingencies have not yet been met. As a result, diluted net income per ordinary share is the same as basic net income per ordinary share for the periods presented.

Recent Accounting Pronouncements

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06") to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2024 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The guidance was adopted starting January 1, 2022. Adoption of the ASU did not impact our financial position, results of operations or cash flows.

Management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on our consolidated financial statements.

Off-Balance Sheet Arrangements

As of December 31, 2022 and 2021, we did not have any off-balance sheet arrangements.

JOBS Act

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an "emerging growth company" and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our Initial Public Offering or until we are no longer an "emerging growth company," whichever is earlier.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 8. Financial Statements and Supplementary Data

This information appears following Item 15 of this Report and is included herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

We determined that a material weakness exists in our internal control over financial reporting related will receive the proceeds from any cash exercise of any Warrants. The aggregate amount of proceeds could be up to $254.1 million if all the Warrants are exercised for cash. However, to the accounting extent the Warrants are exercised on a "cashless basis," the amount of cash we would receive from the exercise of the Warrants will decrease. The Private Warrants and Working Capital Warrants may be exercised for complex financial instruments, accrued expenses cash or on a "cashless basis." The Public Warrants and accounts payable, and foreign exchange transactions. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that the Mergers Warrants may only be exercised for cash provided there is then an effective registration statement registering the shares of common stock issuable upon the exercise of such warrants. If there is not a reasonable possibility that then-effective registration statement, then such warrants may be exercised on a material misstatement "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 March 26, 2024, the price of our annual or interim consolidated financial statements common stock was $0.64 per share. The weighted average exercise price of the warrants was $7.85 as of December 31, 2023. We believe the likelihood that warrant holders will not be prevented or detected on a timely basis. Notwithstanding exercise their Warrants, and therefore the determination amount of cash proceeds that we would receive, is dependent upon the market price of our internal control over financial reporting was not effective and that there was a material weakness as identified in this Annual Report, common stock. If the market price for our common stock remains less than the exercise price, we believe that our consolidated financial statements contained in this Annual Report fairly present our financial position, results of operations and cash flows for the years covered hereby in all material respects. warrant holders will be unlikely to exercise.

As required by Rules 13a-15f and 15d-15 under the Exchange Act, our principal executive officer and principal financial officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022. Based upon their evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act) were not effective as of December 31, 2022.***Debt Financings***

2018 Bridge Notes

*Management's Report In December 2018, Solaria Corporation issued senior subordinated convertible secured notes ("2018 Notes") totaling approximately $3.4 million in exchange for cash. The notes bear interest at the rate of 8% per annum and the investors are entitled to receive twice the face value of the 2018 Notes at maturity. The 2018 Notes were assumed in the acquisition by Complete Solaria and are secured by substantially all of the assets of Complete Solaria. In 2021, the 2018 Notes were amended extending the maturity date to December 13, 2022. In connection with the 2021 amendment, Solaria had issued warrants to purchase shares of Series E-1 redeemable convertible preferred stock of Solaria. The warrants were exercisable immediately in whole or in part at and expire on Internal Controls Over Financial Reporting*December 13, 2031. As part of the Business Combination with Complete Solar, all the outstanding warrants issued to the lenders were assumed by the parent company, Complete Solaria.

As required by SEC rules In December 2022, we entered into an amendment to the 2018 Notes extending the maturity date from December 13, 2022 to December 13, 2023. In connection with the amendment, the 2018 Notes will continue to bear interest at 8% per annum and regulations implementing Section 404 are entitled to an increased repayment premium from 110% to 120% of the Sarbanes-Oxley Act, our management is responsible for establishing principal and maintaining adequate internal control over accrued interest at the time of repayment.

The Company concluded that the modification was a troubled debt restructuring as the Company was experiencing financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting difficulty and the preparation amended terms resulted in a concession to the Company. As the future undiscounted cash payments under the modified terms exceeded the carrying amount of the Solaria Bridge Notes on the date of modification, the modification was accounted for prospectively. The incremental repayment premium is being amortized to interest expense using the effective interest rate method. As of December 31, 2023 and 2022, the carrying value of the 2018 Notes was $11.0 million and $9.8 million, respectively. Interest expense recognized for the years ended December 31, 2023 and 2022 was $1.2 million and $0.7 million, respectively. The terms of the 2018 Notes are currently being renegotiated.

Revolver Loan

In October 2020, Solaria entered into a loan agreement ("Loan Agreement") with Structural Capital Investments III, LP ("SCI"). The Loan Agreement with SCI is comprised of two facilities, a term loan (the "Term Loan") and a revolving loan (the "Revolving Loan") for $5.0 million each with a maturity date of October 31, 2023. Both the Term Loan and the Revolving Loan were fully drawn upon closing. The Term Loan was repaid prior to the acquisition of Solaria by Complete Solar and was not included in the business combination.

The Revolving Loan has a term of thirty-six months, with the principal due at the end of the term and an annual interest rate of 7.75% or Prime rate plus 4.5%, whichever is higher. Interest expense recognized for the years ended December 31, 2023 and 2022 was $0.6 million and $0.1 million, respectively. In October 2023, the Company entered into an Assignment and Acceptance Agreement whereby Structural Capital Investments III, LP assigned the SCI debt to Kline Hill Partners Fund LP, Kline Hill Partners IV SPV LLC, Kline Hill Partners Opportunity IV SPV LLC, and Rodgers Massey Revocable Living Trust for a total purchase price of $5.0 million. The terms of the SCI Revolving Loan are currently being renegotiated.

Secured Credit Facility

In December 2022, we entered into a secured credit facility agreement with Kline Hill Partners IV SPV LLC and Kline Hill Partners Opportunity IV SPV LLC. The secured credit facility agreement, which matures in April 2023, allows us to borrow up to 70% of the net amount of our financial statements eligible vendor purchase orders with a maximum amount of $10.0 million at any point in time. The purchase orders are backed by relevant customer sales orders which serve as collateral. The amounts drawn under the secured credit facility may be reborrowed provided that the aggregate borrowing does not exceed $20.0 million. The repayment under the secured credit facility is the borrowed amount multiplied by 1.15x if repaid within 75 days and borrowed amount multiplied by 1.175x if repaid after 75 days. We may prepay any borrowed amount without premium or penalty. Under the original terms, the secured credit facility agreement was due to mature in April 2023. We are in the process of amending the secured credit facility agreement to extend its maturity date.

At December 31, 2023, the outstanding net debt amounted to $12.2 million, including accrued financing cost of $2.1 million, and as of December 31, 2022, the balance outstanding was $5.6 million, including accrued financing cost of $0.1 million.

Debt in CS Solis

In February 2022, we received an investment from CRSEF Solis Holdings, LLC (“CRSEF”). The investment was made pursuant to a subscription agreement, under which CRSEF contributed $25.6 million in exchange for external reporting purposes 100 Class B Membership Units of CS Solis. The Class B Membership Units are mandatorily redeemable by us on the three-year anniversary of the effective date of the CS Solis amended and restated LLC agreement. The Class B Membership Units accrue interest that is payable upon redemption at a rate of 10.5% which is accrued as an unpaid dividend, compounded annually, and subject to increases in accordance the event we declare any dividends. In July 2023, we amended the debt of with GAAP. Our internal control over financial reporting includes those policies CSREF as part of the closing of the Mergers. The modification did not change the interest rate. The modification accelerates the redemption date of the investment, which was previously February 14, 2025, and procedures that: is now March 31, 2024 as a result of the modification. As of December 31, 2023 and 2022, we have recorded a liability of $33.3 million and zero, respectively, included in short-term debt due CS Solis on the consolidated balance sheets and we have recorded a liability of zero and $25.2 million, respectively, included in long-term debt due CS Solis on the consolidated balance sheets. For the years ended December 31, 2023 and 2022, we have recorded an accretion of the liability as interest expense of $7.2 million and $2.4 million, respectively, and we have recorded amortization of issuance costs as interest expense of less than $0.7 million and $1.2 million, respectively.

Forward Purchase Agreements

In July 2023, FACT and Legacy Complete Solaria, Inc. entered into FPAs with each of (i) Meteora; (ii) Polar, and (iii) Sandia (each individually, a “Seller”, and together, the “FPA Sellers”).

Pursuant to the terms of the FPAs, the FPA Sellers may (i) 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:

- (1) pertainThe 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 maintenance maturity date. The counterparty is entitled to an amount from the seller equal to the number of records that, in reasonable detail, accurately terminated shares multiplied by a reset price. The reset price is initially $10.56 (the “Initial Price”) and fairly reflect is subject to a $5.00 floor.

- The FPA contains multiple settlement outcomes. Per the transactions and dispositions terms of the assets 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 our company; 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.

- (2) provide reasonable assuranceThe Settlement occurs as of the Valuation Date, which is the earlier to occur of (a) the date that transactions are recorded as necessary is two years after the date of the Closing Date of the Mergers (b) the date specified by Seller in a written notice to permit preparation 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 financial statements certain triggering events; and (c) 90 days after delivery by the Counterparty of a written notice in accordance with GAAP, and the event that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets for any 20 trading days during a 30 consecutive trading day-period (the "Measurement Period") that could have a material effect on occurs at least 6 months after the financial statements. Closing Date, the VWAP Price is less than the then applicable Reset Price.

Because The Company entered into four separate FPAs, three of its inherent limitations, internal control over financial reporting may not prevent or detect errors or misstatements in our financial statements. Also, projections of any evaluation of effectiveness which, associated with the obligation to future periods are subject issue 6,300,000 Shares, were entered into prior to the risk that controls may become inadequate because closing of changes the Mergers. Upon signing the FPAs, the Company 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 or that the degree or compliance associated with the policies or procedures may deteriorate. Management assessed the effectiveness of our internal control over financial reporting at December 31, 2022. In making these assessments, management used the criteria set forth by the Committee of Sponsoring Organizations settlement of the Treadway Commission (COSO) FPAs. The Company accounted for the contingent obligation to issue shares in Internal Control - Integrated Framework (2013). Based accordance with ASC 815, *Derivatives and Hedging*, and recorded a liability and other income (expense), net based on our assessments and those criteria, management determined that we did not maintain effective internal control over financial reporting as the fair value upon of December 31, 2022 due the obligation upon the signing of the FPAs. The liability was extinguished in July 2023 upon the issuance of Complete Solaria Common Stock to the material weakness in our internal control over financial reporting described above. FPA sellers.

To respond Additionally, in accordance with ASC 480, *Distinguishing Liabilities from Equity*, the Company has determined that the forward contract is a financial instrument other than a share that represent or are indexed to this material weakness, management obligations to repurchase the issuer's equity shares by transferring assets, referred to herein as the "forward purchase liability" on its consolidated balance sheets. The Company initially measured the forward purchase liability at fair value and has devoted, and plans to continue to devote, significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we are enhancing our system of evaluating and implementing the accounting standards that apply to our financial statements, including through enhanced analyses by our personnel and third-party professionals subsequently remeasured it at fair value with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. changes in fair value recognized in earnings.

This Annual Report does not include an attestation report Through the date of our independent registered public accounting firm due issuance of the Complete Solaria Common Stock in satisfaction of the Company's obligation to our status as an emerging growth company under issue shares around the JOBS Act.

*Changes in Internal Control over Financial Reporting*closing of the Mergers, the Company recorded $35.5 million to other income (expense), net associated with the issuance of 6,720,000 shares of Complete Solaria Common Stock.

Other than As of the closing of the Mergers and issuance of the Complete Solaria Common Stock underlying the FPAs, the fair value of the prepaid FPAs was an asset balance of $0.1 million and was recorded on the Company's consolidated balance sheets and within other income (expense), net on the consolidated statements of operations and comprehensive loss. Subsequently, the change of fair value of the forward purchase liability amounted to an expense of $3.9 million for the fiscal year ended December 31, 2023. As of December 31, 2023, the forward purchase liabilities amounted to $3.8 million.

On December 18, 2023, the Company and the FPA Sellers entered into separate amendments to the FPA (the "Amendments"). The Amendments lower the reset floor price of each FPA from $5.00 to $3.00 and allow the Company 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 discussed herein, there were no 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.

First SAFE

On January 31, 2024, we entered into a simple agreement for future equity (the "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 Common Stock sold in the Equity Financing. If the Company consummates 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 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 is convertible into a maximum of 1,431,297 shares of Common Stock, assuming a per share conversion price of $1.05, which is the product of (i) $1.31, the closing price of the Common Stock on January 31, 2024, multiplied by (ii) 80%.

On February 15, 2024, we entered into a simple agreement for future equity (the "Second SAFE" and together with the First SAFE, the "SAFEs") with the Purchaser in connection with the Purchaser investing $3.5 million in the Company. The Second SAFE is convertible into shares of Common Stock upon the initial closing of an Equity Financing at a per share conversion price which is equal to the lower of (i) the SAFE Price, and (ii) 80% of the price per share of Common Stock sold in the Equity Financing. If we consummate a change of control prior to the termination of the Second SAFE, the Purchaser will be 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 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 is convertible into a maximum of 3,707,627 shares of Common Stock, assuming a per share conversion price of $0.94, which is the product of (i) $1.18, the closing price of the Common Stock on February 15, 2024, multiplied by (ii) 80%.

Cash Flows for the Years Ended December 31, 2023 and 2022

The following table summarizes Complete Solaria's cash flows from operating, investing, and financing activities for the years ended December 31, 2023 and 2022 (in thousands):

	Years Ended December 31,	
	2023	2022
Net cash used in operating activities from continuing operations	$ (58,802)	$ (25,217)
Net cash provided by investing activities from continuing operations	6,171	3,335
Net cash provided by financing activities from continuing operations	50,425	31,191
Net increase in cash, cash equivalents and restricted cash from discontinued operations	190	(6,296)
Net decrease in cash, cash equivalents and restricted cash	(1,900)	3,040

Cash Flows from Operating Activities

Net cash used in operating activities from continuing operations of $58.8 million for the year ended December 31, 2023 was primarily due to the net loss from continuing operations, net of tax of $96.2 million and net cash outflows of $17.4 million from changes in our internal control over financial reporting operating assets and liabilities, adjusted for non-cash charges of $54.1 million. Non-cash charges primarily consisted of $35.5 million for the issuance of common stock in connection with FPAs, $10.3 million loss on CS Solis debt extinguishment, $4.2 million loss on sale of equity securities, $3.9 million change in fair value of FPAs, $4.3 million change in allowance for credit losses, $4.9 million of interest expense, $6.6 million accretion of long-term debt in CS Solis, $2.4 million related to the issuance of bonus common stock shares in connection with the Mergers, $3.4 million of stock-based compensation expense, and $6.1 million change in reserve for excess and obsolete inventory, $0.9 million in lease expense and $0.9 million in depreciation and amortization, partially offset by a decrease in the fair value of warrant liabilities of $29.3 million. The main drivers of net cash outflows derived from the changes in operating assets and liabilities were related to an increase in accounts receivable, net of $12.1 million, an increase in prepaid expenses and other current assets of $4.2 million, a decrease in deferred revenue of $1.7 million, a decrease in accrued expenses and other liabilities of $3.3 million and a decrease in operating lease liabilities of $0.6 million, partially offset a decrease in inventory of $1.5 million, an increase in accounts payable of $2.3 million, and a decrease in other noncurrent assets of $1.1 million.

Net cash used in operating activities from continuing operations of $25.2 million for the year ended December 31, 2022 was primarily due the net loss from continuing operations of $28.0 million, and net cash outflows of $11.2 million from changes in our operating assets and liabilities, adjusted for non-cash charges of $13.8 million. The main drivers of net cash outflows derived from the changes in operating assets and liabilities were related to an increase in accounts receivable of $9.7 million, and an increase in inventories of $4.9 million, and a decrease in prepaid expenses and other current assets of $1.6 million, partially offset by an increase in accounts as payable of $3.3 million and a decrease in prepaid expenses and other current assets of $1.2 million. Non-cash charges primarily consisted of $5.2 million change in the fair value of warrant liability, interest expense primarily related to long-term debt in CS Solis of $4.8 million, reserve for obsolete inventory of $3.6 million, increase in the allowance for doubtful accounts of $2.1 million, and depreciation and amortization expense of $0.6 million, partially offset by non-cash income recognized upon conversion of convertible notes and SAFE agreements of $3.2 million.

The net increase in cash, cash equivalents and restricted cash from discontinued operations of $0.2 million for the year ended December 31, 2023 was entirely attributable to net cash provided by operating activities from discontinued operations. This increase was primarily due to the net loss from discontinued operations, net of tax of $173.4 million, adjusted for non-cash charges of $5.4 million and net cash inflows of $20.7 million from changes in our operating assets and liabilities. Non-cash charges primarily consisted of impairment of goodwill of $119.4 million, impairment of intangible assets of $28.1 million, depreciation and amortization expense of $2.4 million, stock-based compensation expense of $1.8 million and a $1.1 million change in allowance for credit losses. 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 $8.2 million, an increase in accrued expenses and other current liabilities of $6.0 million, a decrease in decrease in prepaids of $2.8 million, a decrease in inventories of $2.3 million, partially offset by a decrease of $2.9 million in accounts payable.

Cash Flows from Investing Activities

Net cash provided by investing activities of $6.2 million for the year ended December 31, 2023 was primarily due to sale of an investment.

Net cash used in investing activities of $3.3 million for the year ended December 31, 2022 was due to additions to internal-use-software.

Cash Flows from Financing Activities

Net cash provided by financing activities of $50.4 million for the year ended December 31, 2023 was primarily due to total proceeds from the issuance of convertible notes, net of $21.3 million, total proceeds from the Mergers and PIPE Financing of $19.8 million, and proceeds from the issuance of notes payable, net of $14.1 million, partially offset by the repayment of notes payable of $9.8 million.

Net cash provided by financing activities of $31.2 million for the year ended December 31, 2022 was primarily due to net proceeds from issuance of long-term debt in CS Solis of $25.0 million, proceeds from the issuance of the 2022 Convertible Notes of $12.0 million, and proceeds from the issuance of notes payable of $5.5 million. This was partially offset by the repayment of notes payable of $9.5 million, payments for issuance costs of Series D redeemable convertible preferred shares of $1.4 million, and repayment of convertible notes payable to related parties of $0.5 million.

Off Balance Sheet Arrangements

As of the date of this Annual Report on Form 10-K, Complete Solaria does not have any off-balance sheet arrangements that occurred during the fourth fiscal quarter of 2022 that have materially affected, or are reasonably likely to materially affect, have a current or future effect on our internal control over financial reporting. condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to investors. The term "off-balance sheet arrangement" generally means any transaction, agreement, or other contractual arrangement to which an entity unconsolidated with Complete Solaria is a party, under which it has any obligation arising under a guaranteed contract, derivative instrument, or variable interest or a retained or contingent interest in assets transferred to such entity or similar arrangement that serves as credit, liquidity, or market risk support for such assets.

Currently, Complete Solaria does not engage in off-balance sheet financing arrangements.

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 will remain 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) December 31, 2025. 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 9B. Other Information. ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections. We are exposed to certain market risks in the ordinary course of our business. The Company monitors and manages these financial exposures as an integral part of its overall risk management program.

None. ***Interest Rate Risk***

We do not have significant exposure to interest rate risk that could affect the balance sheet, statement of operations, and the statement of cash flows, as we do not have any outstanding variable rate debt as of December 31, 2023.

Concentrations of Credit Risk and Major Customers

Our customer base consists primarily of residential homeowners. We do not require collateral on our accounts receivable. Further, our accounts receivable are with individual homeowners and we are exposed to normal industry credit risks. We continually evaluate our reserves for potential credit losses and establish reserves for such losses.

As of December 31, 2023 and 2022, one customer accounted for 10% or more of the total accounts receivable, net balance.

For the years ended December 31, 2023 and 2022, two and one customers, respectively, accounted for 10% or more of the total revenues.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

Name	Age	Position
Tidjane Thiam	60	Executive Chairman
Adam Gishen	48	Chief Executive Officer
Nell Cady-Kruse	61	Director
Noreen Doyle	73	Director
William Janetschek	61	Director
Edward Zeng	60	Director

Our directors and executive officers are as follows:

Tidjane Thiam, Executive Chairman

Tidjane Thiam has served as our Executive Chairman since our inception in December 2020. Since June 2020, Mr. Thiam has been a Director and the Chair of the Audit Committee of Kering S.A., the French luxury group. From 2015 to 2020, Mr. Thiam was Chief Executive Officer of Credit Suisse Group AG. From 2014 to 2019, Mr. Thiam was a Director of 21st Century Fox and served on its Nominating and Corporate Governance Committee. Mr. Thiam previously served at Prudential plc, a global insurance company based on London, as the Group Chief Executive from 2009 to 2015, a Director from 2008 to 2015 and Group Chief Financial Officer from 2008 to 2009. Mr. Thiam holds an MBA from INSEAD and graduated from Ecole Nationale Superieure des Mines de Paris in 1986 and from Ecole Polytechnique in Paris in 1984. We believe Mr. Thiam's extensive leadership experience, broad network and deep understanding of the financial services sector make him a valuable addition to our board of directors.

Adam Gishen, Chief Executive Officer and Board Observer

Adam Gishen has served as our Chief Executive Officer since February 2021 and serves as one of our initial board observers. From 2015 to 2020, Mr. Gishen served in several senior roles at Credit Suisse Group AG, including Global Head of Investor Relations, Corporate Communications and Marketing and Branding. Prior to 2015, Mr. Gishen was a partner at Ondra Partners, a financial advisory firm and previous to this worked as a Managing Director at Nomura and at Lehman Brothers in the area of Equity Capital Markets. Mr. Gishen graduated from the University of Leeds.

Nell Cady-Kruse, Director

Nell Cady-Kruse has served on our board of directors since May 2022. Ms. Cady-Kruse is non-executive director of Barclays US LLC and Barclays Bank Delaware (appointed in December 2017 and September 2016, respectively) and serves as Chair of both Board Risk Committees. In 2022, Ms. Cady-Kruse joined as an Independent Director of Varagon Capital Corporation, a business development company. She also serves as an Advisory Board member of FutureBank, a fintech startup. Ms. Cady-Kruse's executive career includes most recently the Global Chief Risk Officer, Wholesale Banking for Standard Chartered Bank, based in Singapore. She retired from Standard Chartered in 2014. Prior to Standard Chartered, she spent nine years at Credit Suisse, where her most recent role was Chief Risk Officer of the Asia Pacific region. Ms. Cady-Kruse received her MBA from Cornell SC Johnson Graduate School of Management in 1985. She received her B.S. with Honors in Agricultural Economics from Cornell University. We believe Ms. Cady-Kruse's extensive leadership experience, global network, and deep expertise across the financial services sector make her a valuable addition to our board of directors.

Noreen Doyle, Director

Noreen Doyle has served on our board of directors since our initial public offering. Ms. Doyle retired in April 2021 as Chair of the Board of Directors of Newmont Corporation, the world's largest gold producer. She joined the Newmont Board in 2005 and since 2016 served as Chair of the Board and of the Nominating and Corporate Governance Committee. Previously she served as Chair of the Audit Committee. From 2004 to 2017, she served on the Board of Directors of Credit Suisse Group AG, including as Vice Chair and Senior Independent Director from 2014 to 2017. Ms. Doyle has also served on the boards of Rexam PLC and QinetiQ plc. In her executive career, Ms. Doyle was First Vice President of the European Bank for Reconstruction and Development (EBRD) from 2001 to 2005, having previously served as head of Risk Management and of Syndications. Prior to EBRD, Ms. Doyle was a senior officer at Bankers Trust Company (now Deutsche Bank) specializing in leveraged finance and natural resources. Ms. Doyle holds an MBA from Tuck School at Dartmouth, where she served on its Board of Overseers, and a B.A. from the College of Mount Saint Vincent, where she served on and chaired its Board of Trustees. We believe Ms. Doyle is well qualified to serve on our board of directors based on her experience and network in the financial services industry.

William Janetschek, Director

William Janetschek has served on our board of directors since our initial public offering. Mr. Janetschek joined KKR in 1997 and retired in 2020 as a Partner and its Chief Financial Officer. Mr. Janetschek was also a member of KKR's Balance Sheet Committee, Global Valuation Committee and Risk and Operations Committee. Prior to joining KKR, he was a Tax Partner at Deloitte & Touche LLP. Mr. Janetschek serves on the board of directors of Bilander Acquisition Corp. He also serves as a sponsor and member of a variety of non-profit organizations including Student Sponsor Partners and St. Brigid Catholic Church. Mr. Janetschek holds a M.S. from Pace University and a B.S. from St. John's University, where he is now the Chairman of the Board of Trustees. We believe Mr. Janetschek's finance and operations experience makes him well qualified to serve on our board of directors.

Edward Zeng, Director

Edward Zeng has served on our board of directors since June 2022. Mr. Zeng is the Managing Director of China Bridge Capital, an independent investment bank, focusing on China-based, integrated financial bridge and emerging technologies, and with locations in China and the United States. Mr. Zeng has been a technological entrepreneur in China and has founded several internet-related Chinese companies, including Sparkice Inc. and Qianlong.com. Mr. Zeng holds a B.A. in Applied Mathematics and a M.A. in Economic Management from Tsinghua University and a M.A. in Financial Economics from University of Toronto.

Number and Terms of Office of Officers and Directors

Our board of directors consists of five members and is divided into three classes with only one class of directors being appointed in each year, and with each class (except for those directors appointed prior to our first general meeting) serving a three-year term.

In accordance with the NYSE corporate governance requirements, we are not required to hold an annual general meeting until one year after our first fiscal year end following our listing on the NYSE. The term of office of the first class of directors, consisting of Nell Cady-Kruse, will expire at our first annual general meeting. The term of office of the second class of directors, consisting of Noreen Doyle and William Janetschek, will expire at the second annual general meeting. The term of office of the third class of directors, consisting of Tidjane Thiam and Edward Zeng, will expire at the third annual general meeting.

Only holders of Class B ordinary shares will have the right to appoint or remove directors in any general meeting held prior to or in connection with the completion of our initial business combination. Holders of our public shares will not be entitled to vote on the appointment of directors during such time. These provisions of our amended and restated memorandum and articles of association relating to the rights of holders of Class B ordinary shares to appoint or remove directors may be amended by a special resolution passed by a majority of at least 90% of our ordinary shares voting in a general meeting. Our officers are appointed by the board of directors and serve at the discretion of the board of directors, rather than for specific terms of office. Our board of directors is authorized to appoint officers as it deems appropriate pursuant to our amended and restated memorandum and articles of association.

Director Independence

The rules of the NYSE require that a majority of our board of directors be independent within one year of our initial public offering. An "independent director" is defined generally as a person who, in the opinion of the company's board of directors, has no material relationship with the listed company (either directly or as a partner, shareholder, stockholder or officer of an organization that has a relationship with the company). Our board of directors has determined that Nell Cady-Kruse, Noreen Doyle, and William Janetschek are "independent directors" as defined in the NYSE listing standards and applicable SEC rules. Our independent directors have regularly scheduled meetings at which only independent directors are present.

Committees of the Board of Directors

Our board of directors has three standing committees: an audit committee, a compensation committee, and a nominating and corporate governance committee. Each of our audit committee, compensation committee, and nominating and corporate governance committee is composed solely of independent directors. Subject to phase-in rules, the rules of the NYSE and Rule 10A-3 of the Exchange Act require that the audit committee of a listed company be comprised solely of independent directors, and the rules of the NYSE require that the compensation committee and the nominating and corporate governance committee of a listed company be comprised solely of independent directors. Each committee operates under a charter that has been approved by our board of directors and has the composition and responsibilities described below. The charter of each committee is available on our website at https://freedomac1.com/investor-resources/#resources/.

Nell Cady-Kruse, Noreen Doyle, and William Janetschek serve as the members and William Janetschek serves as chair of the audit committee. Nell Cady-Kruse, Noreen Doyle, and William Janetschek are independent of and unaffiliated with our sponsor. Under the NYSE listing standards and applicable SEC rules, all the directors on the audit committee must be independent.

Nell Cady-Kruse, Noreen Doyle, and William Janetschek are financially literate and our board of directors has determined that William Janetschek qualifies as an "audit committee financial expert" as defined in applicable SEC rules and has accounting or related financial management expertise.

We have adopted an audit committee charter, which details the purpose and principal functions of the audit committee, including:

- assisting board oversight of (1) the integrity of our financial statements, (2) our compliance with legal and regulatory requirements, (3) our independent registered public accounting firm's qualifications and independence, and (4) the performance of our internal audit function and independent registered public accounting firm; the appointment, compensation, retention, replacement, and oversight of the work of the independent registered public accounting firm and any other independent registered public accounting firm engaged by us;
- pre-approving all audit and non-audit services to be provided by the independent registered public accounting firm or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures; reviewing and discussing with the independent registered public accounting firm all relationships the registered public accounting firm has with us in order to evaluate their continued independence;
- setting clear hiring policies for employees or former employees of the independent registered public accounting firm;
- setting clear policies for audit partner rotation in compliance with applicable laws and regulations; obtaining and reviewing a report, at least annually, from the independent registered public accounting firm describing (1) the independent registered public accounting firm's internal quality-control procedures and (2) any material issues raised by the most recent internal quality-control review, or peer review, of the independent registered public accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;
- meeting to review and discuss our annual audited financial statements and quarterly financial statements with management and the independent registered public accounting firm, including reviewing our specific disclosures under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations"; reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and

- reviewing with management, the independent registered public accounting firm, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities.

Nell Cady-Kruse, Noreen Doyle, and William Janetschek serve as the members of the compensation committee, and Nell Cady-Kruse serves as chair of the compensation committee. Under the NYSE listing standards, all the directors on the compensation committee must be independent.

We have adopted a compensation committee charter, which details the purpose and responsibilities of the compensation committee, including:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our chief executive officer's compensation, evaluating our chief executive officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our chief executive officer's based on such evaluation;
- reviewing and making recommendations to our board of directors with respect to the compensation, and any incentive compensation and equity based plans that are subject to board approval of all of our other officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees;
- producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Notwithstanding the foregoing, as indicated above, other than the payment to an affiliate of our sponsor of up to $10,000 per month, for up to 24 months, for office space, utilities, secretarial and administrative support, other expenses and obligations of our sponsor and reimbursement of expenses, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our existing shareholders, officers, directors or any of their respective affiliates, prior to, or for any services they render in order to effectuate the consummation of an initial business combination. Accordingly, it is likely that prior to the consummation of an initial business combination, the compensation committee will only be responsible for the review and recommendation of any compensation arrangements to be entered into in connection with such initial business combination.

The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor and will be directly responsible for the appointment, compensation and oversight of the work of any such advisor. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other advisor, the compensation committee will consider the independence of each such advisor, including the factors required by the NYSE and the SEC.

Nominating and Corporate Governance Committee

The members of our nominating and corporate governance committee are Nell Cady-Kruse, Noreen Doyle, and William Janetschek. Noreen Doyle serves as chair of the nominating and corporate governance committee. Under the NYSE listing standards, all the directors on the nominating and corporate governance committee must be independent.

We have adopted a nominating and corporate governance committee charter, which details the purpose and responsibilities of the nominating and corporate governance committee, including:

- identifying, screening and reviewing individuals qualified to serve as directors, consistent with criteria approved by the board of directors, and recommending to the board of directors candidates for nomination for appointment at the annual general meeting or to fill vacancies on the board of directors;
- developing and recommending to the board of directors and overseeing implementation of our corporate governance guidelines;
- coordinating and overseeing the annual self-evaluation of the board of directors, its committees, individual directors and management in the governance of the company; and
- reviewing on a regular basis our overall corporate governance and recommending improvements as and when necessary.

The charter also provides that the nominating and corporate governance committee may, in its sole discretion, retain or obtain the advice of, and terminate, any search firm to be used to identify director candidates, and will be directly responsible for approving the search firm's fees and other retention terms.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, the board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our shareholders. Prior to our initial business combination, holders of our public shares will not have the right to recommend director candidates for nomination to our board of directors.

Compensation Committee Interlocks and Insider Participation

None of our officers currently serves, or in the past year has served, as a member of the compensation committee of any entity that has one or more officers serving on our board of directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our officers, directors and persons who beneficially own more than ten percent of our ordinary shares to file reports of ownership and changes in ownership with the SEC. These reporting persons are also required to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of such forms, we believe that during the year ended December 31, 2022 there were no delinquent filers.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics applicable to our directors, officers and employees. You can review this document by accessing our public filings at the SEC's web site at www.sec.gov. In addition, a copy of the Code of Business Conduct and Ethics and the charters of the committees of our board of directors are provided on our website at https://freedomac1.com/wp-content/uploads/2021/02/Freedom-Acquisition-I-Corp.-Code-of-Ethics.pdf. If we make any amendments to our Code of Business Conduct and Ethics other than technical, administrative or other non-substantive amendments, or grant any waiver, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics applicable to our principal executive officer, principal financial officer principal accounting officer or controller or persons performing similar functions requiring disclosure under applicable SEC or NYSE rules, we will disclose the nature of such amendment or waiver on our website.

Conflicts of Interest

Under Cayman Islands law, directors and officers owe the following fiduciary duties:

(i) duty to act in good faith in what the director or officer believes to be in the best interests of the company as a whole;

(ii) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose;

(iii) directors should not improperly fetter the exercise of future discretion;

(iv) duty to exercise powers fairly as between different sections of shareholders;

(v) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and

(vi) duty to exercise independent judgment.

In addition to the above, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge skill and experience of that director.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, in some instances what would otherwise be a breach of this duty can be forgiven and/or authorized in advance by the shareholders provided that there is full disclosure by the directors. This can be done by way of permission granted in the memorandum and articles of association or alternatively by shareholder approval at general meetings.

Each of our officers and directors presently has, and any of them in the future may have additional, fiduciary or contractual obligations to another entity pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity. Accordingly, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations, he or she will honor his or her fiduciary or contractual obligations to present such business combination opportunity to such entity, subject to their fiduciary duties under Cayman Islands law. Our amended and restated memorandum and articles of association provide that, to the fullest extent permitted by applicable law: (i) no individual serving as a director or an officer shall have any duty, except and to the extent expressly assumed by contract, to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as us; and (ii) we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any potential transaction or matter which may be a corporate opportunity for any director or officer on the one hand, and us, on the other. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors will materially affect our ability to complete our initial business combination.

Below is a table summarizing the other entities to which our officers and directors currently have fiduciary duties or contractual obligations:

Individual	Entity/Organization	Entity's Business	Affiliation
Tidjane Thiam	Kering S.A.	Luxury goods	Director and Chair of Audit Committee
	Publicis Group	Marketing and communications	Director and Member of Audit Committee
Adam Gishen	N/A	N/A	N/A
Nell Cady-Kruse	N/A	N/A	N/A
Noreen Doyle	N/A	N/A	N/A
William Janetschek	Bilander Acquisition Corp.	SPAC	Director
Edward Zeng	China Bridge Capital	Investment Bank	Managing Director

There are also other potential conflicts of interest:

- Our officers and directors are not required to, and will not commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. Each of our officers is engaged in several other business endeavors for which he may be entitled to substantial compensation, and our officers are not obligated to contribute any specified amount of time to our affairs.

- Our initial shareholders purchased founder shares and private placement warrants. Our initial shareholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to any founder shares and public shares held by them in connection with the completion of our initial business combination. Additionally, our initial shareholders, sponsor, officers and directors have agreed to waive their rights to liquidating distributions from the trust account with respect to any founder shares held by them if we fail to complete our initial business combination within the prescribed time frame. If we do not complete our initial business combination within the prescribed time frame, the private placement warrants will expire worthless. Furthermore, our initial shareholders, sponsor, officers and directors have agreed not to transfer, assign or sell any of any founder shares (including the Class A ordinary shares issuable upon conversion thereof) until the earlier to occur of: (i) one year after the completion of our initial business combination and (ii) the date following the completion of our initial business combination on which we complete a liquidation, merger, share exchange or other similar transaction that results in all of our shareholders having the right to exchange their ordinary shares for cash, securities or other property. Notwithstanding the foregoing, if the last reported sales price of our Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, the founder shares will be released from the lockup.

- The private placement warrants (including the Class A ordinary shares issuable upon exercise of the private placement warrants) will not be transferable until 30 days following the completion of our initial business combination. Because each of our officers and directors will own ordinary shares or warrants directly or indirectly, they may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate our initial business combination.

- Our officers and directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors was included by a target business as a condition to any agreement with respect to our initial business combination.

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our sponsor, officers or directors, or completing the business combination through a joint venture or other form of shared ownership with our sponsor, officers or directors. In the event we seek to complete an initial business combination with a target that is affiliated with our sponsor, officers or directors, a committee of independent and disinterested directors would consider, review and approve the transaction. Additionally, we, or a committee of independent and disinterested directors, would obtain an opinion from an independent investment banking firm or a valuation or appraisal firm that such an initial business combination is fair to our company from a financial point of view. We are not required to obtain such an opinion in any other context. Furthermore, in no event will our sponsor or any of our existing officers or directors, or any of their respective affiliates, be paid by the company any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the completion of our initial business combination. Further, we have agreed to pay our sponsor or an affiliate thereof up to $10,000 per month for office space, utilities, secretarial and administrative services provided to members of our management team and other expenses and obligations of our sponsor.

We cannot assure you that any of the above mentioned conflicts will be resolved in our favor.

In the event that we submit our initial business combination to our public shareholders for a vote, our initial shareholders, sponsor, officers and directors have agreed to vote any founder shares held by them, and they have agreed to vote any founder shares and public shares held by them in favor of our initial business combination.

Limitation on Liability and Indemnification of Officers and Directors

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against willful default, fraud or the consequences of committing a crime. Our amended and restated memorandum and articles of association provide for indemnification of our officers and directors to the maximum extent permitted by law, including for any liability incurred in their capacities as such, except through their own actual fraud, willful default or willful neglect. We have purchased a policy of directors' and officers' liability insurance that insures our officers and directors against the cost of defense, settlement or payment of a judgment in some circumstances and insures us against our obligations to indemnify our officers and directors. We have also entered into indemnity agreements with them.

Our officers and directors have agreed to waive any right, title, interest or claim of any kind in or to any monies in the trust account, and have agreed to waive any right, title, interest or claim of any kind they may have in the future as a result of, or arising out of, any services provided to us and will not seek recourse against the trust account for any reason whatsoever. Accordingly, any indemnification provided will only be able to be satisfied by us if (i) we have sufficient funds outside of the trust account or (ii) we consummate an initial business combination.

Our indemnification obligations may discourage shareholders from bringing a lawsuit against our officers or directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against our officers and directors, even though such an action, if successful, might otherwise benefit us and our shareholders. Furthermore, a shareholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our officers and directors pursuant to these indemnification provisions.

We believe that these provisions, the insurance and the indemnity agreements are necessary to attract and retain talented and experienced officers and directors.

Item 11. Executive Compensation.

None of our officers or directors have received any cash compensation for services rendered to us. We pay our sponsor or an affiliate thereof up to $10,000 per month for office space, utilities, secretarial and administrative support services provided to members of our management team and other expenses and obligations of our sponsor. In addition, our sponsor, officers and directors, or any of their respective affiliates will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee reviews on a quarterly basis all payments that were made by us to our sponsor, officers or directors, or our or their affiliates. Any such payments prior to an initial business combination will be made from funds held outside the trust account. Other than quarterly audit committee review of such reimbursements, we do not expect to have any additional controls in place governing our reimbursement payments to our directors and officers for their out-of-pocket expenses incurred in connection with our activities on our behalf in connection with identifying and consummating an initial business combination. Other than these payments and reimbursements, no compensation of any kind, including finder's and consulting fees, will be paid by the company to our sponsor, officers and directors, or any of their respective affiliates, prior to completion of our initial business combination.

After the completion of our initial business combination, directors or members of our management team who remain with us may be paid consulting or management fees from the combined company. All of these fees will be fully disclosed to shareholders, to the extent then known, in the proxy solicitation materials or tender offer materials furnished to our shareholders in connection with a proposed initial business combination. We have not established any limit on the amount of such fees that may be paid by the combined company to our directors or members of management. It is unlikely the amount of such compensation will be known at the time of the proposed initial business combination, because the directors of the post-combination business will be responsible for determining officer and director compensation. Any compensation to be paid to our officers will be determined, or recommended to the board of directors for determination, either by a compensation committee constituted solely by independent directors or by a majority of the independent directors on our board of directors.

We do not intend to take any action to ensure that members of our management team maintain their positions with us after the consummation of our initial business combination, although it is possible that some or all of our officers and directors may negotiate employment or consulting arrangements to remain with us after our initial business combination. The existence or terms of any such employment or consulting arrangements to retain their positions with us may influence our management's motivation in identifying or selecting a target business but we do not believe that the ability of our management to remain with us after the consummation of our initial business combination will be a determining factor in our decision to proceed with any potential business combination. We are not party to any agreements with our officers and directors that provide for benefits upon termination of employment.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information regarding the beneficial ownership of our ordinary shares available to us at April 3, 2023, with respect to our ordinary shares held by:

- each person known by us to be the beneficial owner of more than 5% of our issued and outstanding ordinary shares;
- each of our officers and directors; and
- all our officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all of our ordinary shares beneficially owned by them. The following table does not reflect record or beneficial ownership of the private placement warrants as these warrants are not exercisable within 60 days of April 3, 2023.

On December 30, 2020, our sponsor paid $25,000, or approximately $0.003 per share, to cover certain offering costs in exchange for founder shares such that our sponsor owned 8,625,000 founder shares (retroactively adjusting for the issuance of 1,437,500 founder shares resulting from a share dividend effected by the Company on February 25, 2021). Our sponsor transferred 25,000 founder shares each to Noreen Doyle, William Janetschek and David Poritz and an aggregate of 47,500 founder shares to certain employees and consultants. On April 8, 2022, David Poritz resigned from our board of directors and returned his 25,000 founder shares to our sponsor. On May 10, 2022, Nell Cady-Kruse was appointed to our board of directors, and our sponsor transferred 25,000 founder shares to her. Prior to the initial investment in the company of $25,000 by the sponsor, the company had no assets, tangible or intangible.

In connection with the Extension Amendment, 23,256,504 Class A ordinary shares were redeemed and 11,243,496 Class A ordinary shares remain outstanding after giving effect to such redemptions, as further described in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—Amendment to Amended and Restated Memorandum and Articles.”

	Class A ordinary shares		Class B ordinary shares(2)		
	Number of Shares Beneficially Owned	Approximate Percentage of Class	Number of Shares Beneficially Owned	Approximate Percentage of Class	Approximate Percentage of Ordinary Shares
Freedom Acquisition I LLC(3)	—	—	8,502,500	98.6%	42.8%
Entities affiliated with Glazer Capital, LLC(4)	1,244,800	11.1%	—	—	6.3%
Entities affiliated with Polar Asset Management Partners Inc. (5)	1,961,121	17.4%	—	—	9.9%
Tidjane Thiam	—	—	—	—	—
Adam Gishen	—	—	—	—	—
Nell Cady-Kruse	—	—	25,000	*	*
Noreen Doyle	—	—	25,000	*	*
William Janetschek	—	—	25,000	*	*
Edward Zeng	—	—	—	—	—
All directors and executive officers of FACT as a group (six individuals)	—	—	75,000	*	*

* Less than one percent.

(1) Unless otherwise noted, the business address of each of the following is 14 Wall Street, 20th Floor, New York, 10005.

(2) Interests shown consist solely of founder shares, classified as Class B ordinary shares. Such shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment.

(3) Freedom Acquisition I LLC, our sponsor, is the record holder of such shares. Mr. Thiam, Mr. Gishen and Mr. Bhatia are the three managers of our sponsor's board of managers. Each manager of Freedom Acquisition I LLC has one vote, and the approval of a majority of the members of the board of managers is required to approve an action of Freedom Acquisition I LLC. Under the so-called "rule of three," if voting and dispositive decisions regarding an entity's securities are made by three or more individuals, and a voting and dispositive decision requires the approval of a majority of those individuals, then none of the individuals is deemed a beneficial owner of the entity's securities. This is the situation with regard to Freedom Acquisition I LLC. Based upon the foregoing analysis, no individual manager of Freedom Acquisition I LLC exercises voting or dispositive control over any of the securities held by Freedom Acquisition I LLC even those in which he directly holds a pecuniary interest. Accordingly, none of them will be deemed to have or share beneficial ownership of such shares and, for the avoidance of doubt, expressly disclaims any such beneficial interest to the extent of any pecuniary interest he may have therein, directly or indirectly.

(4) The information in the table above is based solely on information contained in this shareholder's Schedule 13G/A under the Exchange Act filed by such shareholder with the SEC on March 10, 2023. Glazer Capital, LLC ("Glazer Capital") and Paul J. Glazer, who serves as the managing member of Glazer Capital, have shared voting and dispositive power with respect to the Class A ordinary shares held by certain funds and managed accounts to which Glazer Capital serves as investment manager (collectively, the "Glazer Funds"). The address for the Glazer Funds and Paul J. Glazer is 250 West 55th Street, Suite 30A, New York, New York 10019.

(5) The information in the table above is based solely on information contained in this shareholder's Schedule 13G under the Exchange Act filed by such shareholder with the SEC on February 9, 2023, which was prior to the redemption of 23,256,504 Class A ordinary shares in connection with the Extension Amendment, as further described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—Amendment to Amended and Restated Memorandum and Articles." Polar Asset Management Partners Inc., a company incorporated under the laws of Ontario, Canada, serves as the investment advisor to Polar Multi-Strategy Master Fund, a Cayman Islands exempted company, which holds 1,961,121 Class A ordinary shares, and has sole voting and dispositive power with respect to such shares. The address for Polar Asset Management Partners Inc. is 16 York Street, Suite 2900, Toronto, ON, Canada M5J 0E6.

Our sponsor and our directors beneficially own approximately 20% of the issued and outstanding ordinary shares. Only holders of Class B ordinary shares will have the right to appoint and remove directors in any general meeting held prior to or in connection with the completion of our initial business combination. Holders of our public shares will not have the right to appoint or remove any directors to our board of directors prior to our initial business combination. Because of this ownership block, our sponsor and our directors may be able to effectively influence the outcome of all other matters requiring approval by our shareholders, including amendments to our amended and restated memorandum and articles of association and approval of significant corporate transactions including our initial business combination.

In connection with our initial public offering, our sponsor purchased an aggregate of 6,266,667 private placement warrants, each exercisable to purchase one Class A ordinary share at $11.50 per share, subject to adjustment, at a price of $1.50 per warrant, $9,400,000 in the aggregate, in a private placement that occurred simultaneously with the closing of our initial offering. The private placement warrants are identical to the warrants sold in our offering except that the private placement warrants, so long as they are held by our sponsor or its permitted transferees, (i) will not be redeemable by us (except as described in the registration statement for our initial public offering), (ii) will be subject to the transfer restrictions described below, (iii) may be exercised by the holders on a cashless basis and (iv) will be entitled to registration rights. If we do not complete our initial business combination during the Extension Period, the private placement warrants will expire worthless.

Freedom Acquisition I LLC, our sponsor, and our officers and directors are deemed to be our "promoters" as such term is defined under the federal securities laws. See "Item 13. Certain Relationships and Related Transactions, and Director Independence" for additional information regarding our relationships with our promoters.

Transfers of Founder Shares and Private Placement Warrants

The founder shares, private placement warrants and any Class A ordinary shares issued upon conversion or exercise thereof are each subject to transfer restrictions pursuant to lock-up provisions in the agreement entered into by our sponsor and management team. Those lock-up provisions provide that such securities are not transferable or salable (i) in the case of the founder shares, until the earlier of (A) one year after the completion of our initial business combination or earlier if, subsequent to our initial business combination, the last reported sales price of the Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination and (B) the date following the completion of our initial business combination on which we complete a liquidation, merger, share exchange or other similar transaction that results in all of our shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property and (ii) in the case of the private placement warrants and any Class A ordinary shares issuable upon conversion or exercise thereof, until 30 days after the completion of our initial business combination except in each case (a) to our officers or directors, any affiliate or family member of any of our officers or directors, any affiliate of our sponsor or to any member of the sponsor or any affiliates of such members and funds and accounts advised by such members, (b) in the case of an individual, as a gift to such person's immediate family or to a trust, the beneficiary of which is a member of such person's immediate family, an affiliate of such person or to a charitable organization; (c) in the case of an individual, by virtue of laws of descent and distribution upon death of such person; (d) in the case of an individual, pursuant to a qualified domestic relations order; (e) by private sales or transfers made in connection with any forward purchase agreement or similar arrangement or in connection with the consummation of a business combination at prices no greater than the price at which the shares or warrants were originally purchased; (f) by virtue of the laws of the Cayman Islands or our sponsor's limited liability company agreement upon dissolution of our sponsor, (g) in the event of our liquidation prior to our consummation of our initial business combination; or (h) in the event that, subsequent to our consummation of an initial business combination, we complete a liquidation, merger, share exchange or other similar transaction which results in all of our shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property; provided, however, that in the case of clauses (a) through (f) these permitted transferees must enter into a written agreement agreeing to be bound by these transfer restrictions and the other restrictions contained in the letter agreements.

Registration Rights

The holders of the (i) founder shares, which were issued in a private placement prior to the closing of our initial public offering, (ii) private placement warrants, which were issued in a private placement simultaneously with the closing of our initial public offering and the Class A ordinary shares underlying such private placement warrants and (iii) private placement warrants that may be issued upon conversion of working capital loans are entitled to registration rights to require us to register the resale of any of our securities held by them pursuant to a registration rights agreement. The holders of these securities are entitled to make up to three demands, excluding short form demands, that we register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our completion of our initial business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

Equity Compensation Plans

As of December 31, 2022, we had no compensation plans (including individual compensation arrangements) under which equity securities were authorized for issuance.

Item 13. Certain Relationships and Related Transactions, and Director Independence

On December 30, 2020, our sponsor paid $25,000, or approximately $0.003 per share, to cover certain offering costs in exchange for founder shares such that our sponsor owned 8,625,000 founder shares (retroactively adjusting for the issuance of 1,437,500 founder shares resulting from a share dividend effected by the Company on February 25, 2021). Our sponsor transferred 25,000 founder shares each to Noreen Doyle, William Janetschek and David Poritz and an aggregate of 47,500 founder shares to certain employees and consultants. On April 8, 2022, David Poritz resigned from our board of directors and returned his 25,000 founder shares to our sponsor. On May 10, 2022, Nell Cady-Kruse was appointed to our board of directors, and our sponsor transferred 25,000 founder shares to her. As such, our sponsor now owns 8,502,500 founder shares. Our sponsor and our directors collectively own approximately 20% of our issued and outstanding shares as of our initial public offering.

In connection with our initial public offering, our sponsor purchased an aggregate of 6,266,667 private placement warrants, each exercisable to purchase one Class A ordinary share at $11.50 per share, subject to adjustment, at a price of $1.50 per warrant, or $9,400,000 in the aggregate, in a private placement that closed simultaneously with the closing of our initial public offering. The private placement warrants are identical to the warrants sold in our initial public offering except that the private placement warrants, so long as they are held by our sponsor or its permitted transferees, (i) will not be redeemable by us (except as described in the registration statement for our initial public offering), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of our initial business combination, (iii) may be exercised by the holders on a cashless basis and (iv) will be entitled to registration rights.

We currently utilize office space at 14 Wall Street, 20th Floor, New York, 10005 as our executive offices. We pay our sponsor or an affiliate thereof up to $10,000 per month for office space, utilities, secretarial and administrative support services provided to members of our management team and other expenses and obligations of our sponsor. Upon completion of our initial business combination or our liquidation, we will cease paying these monthly fees. Accordingly, in the event the consummation of our initial business combination takes until 24 months after the closing of our initial public offering, our sponsor will be paid an aggregate of up to approximately $240,000 ($10,000 per month) for office space, administrative and support services, and other expenses and obligations of our sponsor and will be entitled to be reimbursed for any out-of-pocket expenses.

No compensation of any kind, including finder's and consulting fees, will be paid by the company to our sponsor, officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of an initial business combination. However, these individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Our audit committee reviews on a quarterly basis all payments that were made by us to our sponsor, officers, directors or our or their affiliates.

Our sponsor agreed to loan us up to $300,000 under an unsecured promissory note to be used for a portion of the expenses of our initial public offering. These loans were non-interest bearing and unsecured, and were repaid upon completion of the initial public offering out of the offering proceeds that had been allocated for the payment of offering expenses (other than underwriting commissions) not held in the trust account. The value of our sponsor's interest in this loan transaction corresponded to the principal amount outstanding under any such loan.

On each of April 1, 2022 and June 6, 2022, we issued an unsecured promissory note in the amount of up to $500,000 to our sponsor (the "Sponsor Notes"). On December 14, 2022, we issued an unsecured promissory note in the amount of up to $325,000 to Tidjane Thiam, Adam Gishen, Edward Zeng, and Abhishek Bhatia (collectively, the "Payees") (such note, together with the Sponsor Notes, the "Convertible Notes"). The proceeds of the Convertible Notes, which may be drawn down from time to time until we consummate our initial business combination, will be used for general working capital purposes. The Convertible Notes bear no interest and are payable in full upon the earlier to occur of (i) twenty-four (24) months from the closing of our initial public offering (or such later date as may be extended in accordance with the terms of our amended and restated memorandum and articles of Association) or (ii) the consummation of our business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action shall be deemed an event of default, in which case the Convertible Notes may be accelerated. Prior to the Company's first payment of all or any portion of the principal balance of the Convertible Notes in cash, our sponsor and the Payees, as applicable, have the option to convert all, but not less than all, of the principal balance of the Convertible Notes into private placement warrants (the "Conversion Warrants"), each warrant exercisable for one ordinary share of the Company at an exercise price of $1.50 per share. The terms of the Conversion Warrants would be identical to the warrants issued by the Company to the sponsor in a private placement that was consummated in connection with our initial public offering. Our sponsor and the Payees shall be entitled to certain registration rights relating to the Conversion Warrants. The Convertible Notes were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

In addition, on February 28, 2023, we issued an additional unsecured promissory note in the amount of up to $2,100,000 to our sponsor, as described under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—Promissory Note." The proceeds of such promissory note, $1,600,000 of which was drawn down immediately, $400,000 of which may be drawn down, with the mutual consent of us and our sponsor, if we wish to extend the date by which we will consummate a business combination beyond June 2, 2023, and $100,000 of which may be drawn down on an as-needed basis at the discretion of our sponsor, will be used for general working capital purposes. Such promissory note bears no interest and is payable in full upon the consummation of our business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action shall be deemed an event of default, in which case the promissory note may be accelerated. The promissory note shall be forgiven by our sponsor if we are unable to consummate a business combination within the time frame specified in our amended and restated memorandum and articles of association (as amended from time to time), except to the extent of any funds held outside of the trust account established in connection with our initial public offering. The issuance of the promissory note was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

In order to fund working capital deficiencies or finance transaction costs in connection with an intended initial business combination, our sponsor or an affiliate of our sponsor or certain of our officers and directors may, but are not obligated to, loan us additional funds as may be required on a non-interest basis. If we complete an initial business combination, we would repay such loaned amounts. In the event that the initial business combination does not close, we may use a portion of the working capital held outside the trust account to repay such loaned amounts but no proceeds from our trust account would be used for such repayment. Up to $675,000 of such loans may be convertible into private placement warrants of the post business combination entity at a price of $1.50 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants described above. Prior to the completion of our initial business combination, we do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in our trust account.

Any of the foregoing payments to our sponsor, repayments of loans from our sponsor or repayments of working capital loans prior to our initial business combination will be made using funds held outside the trust account.

After our initial business combination, members of our management team who remain with us may be paid consulting, management or other fees from the combined company with any and all amounts being fully disclosed to our shareholders, to the extent then known, in the proxy solicitation or tender offer materials, as applicable, furnished to our shareholders. It is unlikely the amount of such compensation will be known at the time of distribution of such tender offer materials or at the time of a general meeting held to consider our initial business combination, as applicable, as it will be up to the directors of the post-combination business to determine executive and director compensation.

We have entered into a registration rights agreement with respect to the founder shares and private placement warrants, which is described under the heading "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Registration Rights."

Policy for Approval of Related Party Transactions

The audit committee of our board of directors has adopted a policy setting forth the policies and procedures for its review and approval or ratification of "related party transactions." A "related party transaction" is any consummated or proposed transaction or series of transactions: (i) in which the company was or is to be a participant; (ii) the amount of which exceeds (or is reasonably expected to exceed) the lesser of $120,000 or 1% of the average of the company's total assets at year end for the prior two completed fiscal years in the aggregate over the duration of the transaction (without regard to profit or loss); and (iii) in which a "related party" had, has or will have a direct or indirect material interest. "Related parties" under this policy will include: (i) our directors, nominees for director or officers; (ii) any record or beneficial owner of more than 5% of any class of our voting securities; (iii) any immediate family member of any of the foregoing if the foregoing person is a natural person; and (iv) any other person who maybe a "related person" pursuant to Item 404 of Regulation S-K under the Exchange Act. Pursuant to the policy, the audit committee will consider (i) the relevant facts and circumstances of each related party transaction, including if the transaction is on terms comparable to those that could be obtained in arm's-length dealings with an unrelated third party, (ii) the extent of the related party's interest in the transaction, (iii) whether the transaction contravenes our code of ethics or other policies, (iv) whether the audit committee believes the relationship underlying the transaction to be in the best interests of the company and its shareholders and (v) the effect that the transaction may have on a director's status as an independent member of the board and on his or her eligibility to serve on the board's committees. Management will present to the audit committee each proposed related party transaction, including all relevant facts and circumstances relating thereto. Under the policy, we may consummate related party transactions only if our audit committee approves or ratifies the transaction in accordance with the guidelines set forth in the policy. The policy will not permit any director or officer to participate in the discussion of, or decision concerning, a related person transaction in which he or she is the related party.

Director Independence

The rules of the NYSE require that a majority of our board of directors be independent within one year of our initial public offering. An "independent director" is defined generally as a person who, in the opinion of the company's board of directors, has no material relationship with the listed company (either directly or as a partner, shareholder, stockholder or officer of an organization that has a relationship with the company). Our board of directors has determined that Nell Cady-Kruse, Noreen Doyle and William Janetschek are "independent directors" as defined in the NYSE listing standards and applicable SEC rules. Our independent directors have regularly scheduled meetings at which only independent directors are present.

Item 14. Principal Accountant Fees and Services

The firm of Marcum LLP, or Marcum, acts as our independent registered public accounting firm. The following is a summary of fees paid to Marcum for services rendered.

Audit Fees. During the years ended December 31, 2022 and 2021, fees for our independent registered public accounting firm were approximately $144,458 and $125,918, respectively, for the services Marcum performed in connection with our Initial Public Offering and the audit of our December 31, 2022 financial statements included in this Annual Report.

Audit-Related Fees. During the years ended December 31, 2022 and 2021, our independent registered public accounting firm did not render assurance and related services related to the performance of the audit or review of financial statements.

Tax Fees. During the years ended December 31, 2022 and 2021, our independent registered public accounting firm did not render services to us for tax compliance, tax advice and tax planning.

All Other Fees. During the years ended December 31, 2022 and 2021, there were no fees billed for products and services provided by our independent registered public accounting firm other than those set forth above.

Pre-Approval Policy

Our audit committee was formed upon the consummation of our Initial Public Offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this Annual Report:

(1) Financial Statements:

(2) Financial Statement Schedules:

None.

(3) Exhibits

We hereby file as part of this Report the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be accessed on the SEC website at www.sec.gov.

Exhibit No.	Description
2.1	Business Combination Agreement, dated October 3, 2022, by and among the Company, Jupiter Merger Sub I Corp., Jupiter Merger Sub II LLC, Complete Solaria Holding Corporation, and the Solaria Corporation (incorporated herein by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on October 4, 2022).
2.2	First Amendment to Business Combination Agreement, dated December 26, 2022, by and among the Company, Jupiter Merger Sub I Corp., Jupiter Merger Sub II LLC, and Complete Solaria, Inc. (incorporated herein by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on December 28, 2022).
2.3	Second Amendment to Business Combination Agreement, dated January 17, 2023, by and among the Company, Jupiter Merger Sub I Corp., Jupiter Merger Sub II LLC, and Complete Solaria, Inc. (incorporated herein by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on January 17, 2023).
3.1	Amended and Restated Memorandum and Articles of Association (incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2021).
3.2	Amendment to Amended and Restated Memorandum and Articles of Association (incorporated herein by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on March 1, 2023).
4.1	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, as Amended*
4.2	Warrant Agreement, dated February 25, 2021, between the Company and Continental Stock Transfer & Trust Company, as warrant agent (incorporated herein by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2021).
10.1	A Letter Agreement, dated February 25, 2021, among the Company and its officers and directors and Freedom Acquisition I, LLC (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2021).
10.2	Amendment No. 1 to Letter Agreement dated February 25, 2021, dated June 6, 2022 (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on June 8, 2022).

Exhibit No.	Description
10.3	Investment Management Trust Agreement, dated February 25, 2021, between the Company and Continental Stock Transfer & Trust Company, as trustee (incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2021).
10.4	Amendment to Investment Management Trust Agreement, dated February 28, 2023, between the Company and Continental Stock Transfer & Trust Company, as trustee (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on March 1, 2023).
10.5	Registration Rights Agreement, dated February 25, 2021, between the Company and certain security holders (incorporated herein by reference to Exhibit 10.3 of the Company' s Current Report on Form 8-K filed with the SEC on March 2, 2021).
10.6	Administrative Services Agreement, dated February 25, 2021, between the Company and Freedom Acquisition I LLC (incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2021).
10.7	Private Placement Warrants Purchase Agreement, dated December 2, 2020, between the Company and Freedom Acquisition I LLC (incorporated herein by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2021).
10.8	Promissory Note, dated April 1, 2022, issued to Freedom Acquisition I LLC (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on April 1, 2022).
10.9	Promissory Note, dated June 6, 2022, issued to Freedom Acquisition I LLC (incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on June 8, 2022).
10.10	Promissory Note, dated December 14, 2022, issued to Tidjane Thiam, Adam Gishen, Abhishek Bhatia, and Edward Zeng (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on December 14, 2022).
10.11	Promissory Note, dated February 28, 2023, issued to Freedom Acquisition I LLC (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on March 2, 2023).
10.12	Form of Company Subscription Agreement, dated October 3, 2022 (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on October 4, 2022).
10.13	Sponsor Support Agreement, dated October 3, 2022 (incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on October 4, 2022).
10.14	Company Stockholder Support Agreement, dated October 3, 2022 (incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the SEC on October 4, 2022).
31.1	Certification of the Registrant's Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of the Registrant's Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of the Registrant's Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of the Registrant's Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, as amended, the registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, on April 6, 2023.

Freedom Acquisition I Corp.

By: /s/ Adam Gishen

Name: Adam Gishen

Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed by the following persons in the capacity and on the dates indicated.

Name	Position	Date
/s/ Tidjane Thiam	Executive Chairman	April 6, 2023
Tidjane Thiam		
/s/ Adam Gishen	Chief Executive Officer and Board	April 6, 2023
Adam Gishen	Observer	
/s/ Nell Cady-Kruse	Director	April 6, 2023
Nell Cady-Kruse		
/s/ Noreen Doyle	Director	April 6, 2023
Noreen Doyle		
/s/ William Janetschek	Director	April 6, 2023
William Janetschek		
/s/ Edward Zeng	Director	April 6, 2023
Edward Zeng		

FREEDOM ACQUISITION I CORP. ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

COMPLETE SOLARIA, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders shareholders and the Board of Directors of
Freedom Acquisition I Corp. Complete Solaria, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheetssheets of Freedom Acquisition I Corp. Complete Solaria, Inc. and subsidiaries (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related consolidated statements of operations changes in shareholders' (deficit) equity and comprehensive loss, stockholders' deficit, and cash flows, for each of the two years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described discussed in Note 1, 1(c) to the Company's business plan is dependent on consolidated financial statements, the completion of a business combination Company has recurring net losses, accumulated deficit, negative cash outflows from operations and the Company's cash and working capital as of December 31, 2022 are not sufficient to complete its planned activities. These conditions current debt outstanding that raise substantial doubt about the Company's its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. 1(c). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLPS/ Deloitte & Touche LLP
Marcum LLPSan Francisco, California
April 1, 2024
We have served as the Company's auditor since 2020. 2022.

New York, NY

April 6, 2023

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

	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,593	$ 4,409
Accounts receivable, net	26,281	27,717
Inventories	3,058	13,059
Prepaid expenses and other current assets	5,817	10,071
Total current assets	37,749	55,256
Restricted cash	3,823	3,907
Property and equipment, net	4,317	3,476
Operating lease right-of-use assets	1,235	2,182
Other noncurrent assets	198	1,330
Long-term assets held for sale - discontinued operations	-	162,032
Total assets	$ 47,322	$ 228,183
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 13,122	$ 14,474
Accrued expenses and other current liabilities	27,870	19,830
Notes payable, net (1)	28,657	20,403
Deferred revenue, current	2,423	5,407
Short-term debt with CS Solis	33,280	-
Forward purchase agreement liabilities (2)	3,831	-
Total current liabilities	109,183	60,114
Warranty provision, noncurrent	3,416	3,214
Warrant liability	9,817	14,152
Deferred revenue, noncurrent	1,055	
Long-term debt with CS Solis	-	25,204
Convertible notes, net, noncurrent	-	3,434
Convertible notes, net due to related parties, noncurrent	-	15,510
Operating lease liabilities, net of current portion	664	1,274
Total liabilities	124,135	122,902
Commitments and contingencies (Note 18)		
Stockholders' (deficit) equity:		
Common stock, $0.0001 par value; Authorized 1,000,000,000 and 60,000,000 shares as of December 31, 2023 and December 31, 2022, respectively; issued and outstanding 49,065,361 and 19,932,429 shares as of December 31, 2023 and December 31, 2022, respectively	7	3
Additional paid-in capital	277,965	190,624
Accumulated other comprehensive loss	143	27
Accumulated deficit	(354,928)	(85,373)
Total stockholders' (deficit) equity	(76,813)	105,281
Total liabilities and stockholders' equity	$ 47,322	$ 228,183

(1) Includes $0.4 million and zero due to related parties as of December 31, 2023 and 2022, respectively.

(2) Includes $3.2 million and zero of liabilities due to related parties as of December 31, 2023 and 2022, respectively.

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

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

	Fiscal Years Ended December 31,	
	2023	**2022**
Revenues	$ 87,616	$ 66,475
Cost of revenues	69,828	46,647
Gross profit	17,788	19,828
Operating expenses:		
Sales commissions	31,127	21,195
Sales and marketing	6,920	6,156
General and administrative	32,099	13,634
Total operating expenses	70,146	40,985
Loss from continuing operations	(52,358)	(21,157)
Interest expense[(1)]	(14,033)	(4,986)
Interest income	36	5
Other expense, net[(2)]	(29,862)	(1,858)
Total Other expense	(43,859)	(6,839)
Loss from continuing operations before income taxes	(96,217)	(27,996)
Income tax benefit (provision)	20	(27)
Net loss from continuing operations	(96,197)	(28,023)
Loss from discontinued operations, net of tax	(25,853)	(1,454)
Impairment loss from discontinued operations	(147,505)	–
Net loss from discontinued operations, net of taxes	(173,358)	(1,454)
Net loss	(269,555)	(29,477)
Other Comprehensive income:		
Foreign currency translation adjustment	116	27
Comprehensive loss (net of tax)	$ (269,439)	$ (29,450)
Net loss from continuing operations per share attributable to common stockholders, basic and diluted	$ (3.89)	$ (1.24)
Net loss from discontinued operations per share attributable to common stockholders, basic and diluted	$ (1.05)	$ (0.07)
Net loss per share attributable to common stockholders, basic and diluted	$ (4.94)	$ (1.31)
Weighted-average shares used to compute net loss per share attributable to common stockholders', basic and diluted	24,723,370	22,524,400

(1) Includes interest expense to related parties of $0.4 million and $0.3 million during the fiscal years ended December 31, 2023 and 2022, respectively.

(2) Other expense, net includes other expense, net to related parties of $0.7 million and $1.4 million during the fiscal years ended December 31, 2023 and 2022, respectively.

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

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

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in-	Accumulated	Accumulated Other Comprehensive	Total Stockholders' Equity
	Shares	**Amount**	**Shares**	**Amount**	**Capital**	**Deficit**	**Income**	**(Deficit)**
Balance as of January 1, 2022	—	$ —	**9,806,143**	**$ 2**	**$ 34,504**	**$ (55,896)**	$ —	**$ (21,390)**
Issuance of Series D-1, D-2, and D-3 redeemable convertible preferred stock upon conversion of convertible notes and SAFEs 1	2,771,551	11,558	—	—	—	—	—	—
Issuance of Series D-4, D-5, D-6 and D-7 redeemable convertible preferred stock upon acquisition 2	6,803,550	52,201	—	—	—	—	—	—
Issuance of Series D-8 redeemable convertible preferred stock upon conversion of SAFE 3	8,171,662	60,470	—	—	—	—	—	—
Issuance of common stock in connection with business combination	—	—	2,884,550	—	27,295	—	—	27,295
Issuance of common stock warrants	—	—	—	—	3,589	—	—	3,589
Exercise of common stock options	—	—	335,496	—	105	—	—	105
Stock-based compensation	—	—	—	—	903	—	—	903
Net loss	—	—	—	—	—	(29,477)	—	(29,477)
Foreign currency translation adjustment	—	—	—	—	—	—	27	27
Balance as of December 31, 2022, as previously reported	17,746,763	124,229	3,220,046	—	31,892	(29,477)	27	27
Retroactive application of recapitalization (Note 3)	(17,746,763)	(124,299)	10,126,286	1	124,228	—	—	—
Balance as of December 31, 2022	—	—	**19,932,429**	**3**	**190,624**	**(85,373)**	**27**	**105,281**
Conversion of 2022 Convertible Notes into common stock	—	—	5,460,075	2	40,950	—	—	40,952
Issuance of common stock upon the reverse capitalization, net of offering costs	—	—	13,458,293	2	4,586	—	—	4,588
Reclassification of prepaid PIPE	—	—	350,000	—	3,500	—	—	3,500
Reclassification of warrants between liabilities and equity	—	—	—	—	4,329	—	—	4,329
Reclassification of Legacy Complete Solaria Common stock into Complete Solaria Common Stock	—	—	—	(1)	2	—	—	1
Issuance of common stock in connection with forward purchase agreements	—	—	1,050,000	—	4,777	—	—	4,777

Issuance of common stock in connection with forward purchase agreements due to related party	—	—	4,508,488	1	30,712	—	—	30,713
Issuance of common stock bonus shares in connection with Mergers	—	—	463,976	—	2,394	—	—	2,394
Residual Mergers proceeds	—	—	—	—	161	—	—	161
Modification of Carlyle warrant	—	—	—	—	(10,862)	—	—	(10,862)
Issuance of restricted stock units	—	—	98,097	—	52	—	—	52
Issuance of common stock warrants	—	—	—		(3,516)	—	—	(3,616)
Issuance of common stock to related party	—	—	3,676,470	—	5,000	—	—	5,000
Exercise of common stock options	—	—	67,533	—	57	—	—	57
Stock-based compensation	—	—	—	—	5,199	—	—	5,199
Foreign currency translation	—	—	—	—	—	—	116	116
Net loss	—	—	—	—	—	(269,555)	—	(269,555)
Balance as of December 31, 2023	**—**	**$ —**	**49,065,361**	**$ 7**	**$ 277,965**	**$ (354,928)**	**$ 143**	**$ (76,813)**

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

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

	Fiscal Years Ended December 31,	
	2023	**2022**
Cash flows from operating activities from continuing operations		
Net loss	$ (269,555)	$ (29,477)
Net loss from discontinued operations, net of income taxes	(173,358)	(1,454)
Net loss from continuing operations, net of tax	(96,197)	(28,023)
Adjustments to reconcile net loss from continuing operations to net cash used in operating activities:		
Stock-based compensation expense	3,364	433
Non-cash interest expense[(1)]	4,882	4,810
Non-cash lease expense	947	468
Gain on extinguishment of convertible notes and SAFEs[(2)]	-	(3,235)
Depreciation and amortization	930	648
Provision for credit losses	4,274	2,074
Change in reserve for excess and obsolete inventory	6,148	3,631
Issuance of forward purchase agreements[(3)]	(76)	–
Change in fair value of forward purchase agreement liabilities[(4)]	3,906	–
Loss on CS Solis debt extinguishment	10,338	–
Change in fair value of warrant liabilities	(29,310)	5,211
Loss on sale of equity securities	4,154	–
Accretion of debt in CS Solis	6,579	–
Loss on issuance of common stock in connection with forward purchase agreements[(5)]	35,490	–
Loss on issuance of common stock bonus shares in connection with the Mergers[(6)]	2,394	–
Issuance of restricted stock units in connection with vendor services	52	–
Changes in operating assets and liabilities:		
Accounts receivable, net	(12,106)	(9,683)
Inventories	1,544	(4,953)
Prepaid expenses and other current assets	(4,197)	1,600
Long-term deposits	–	(15)
Other noncurrent assets	1,132	(1,132)
Accounts payable	2,292	3,252
Accrued expenses and other current liabilities	(3,313)	(1,154)
Operating lease right-of-use assets and lease liabilities	(598)	(617)
Warranty provision, noncurrent	255	157
Deferred revenue	(1,685)	1,311
Net cash used in operating activities from continuing operations	(58,802)	(25,217)
Net cash provided by operating activities from discontinued operations	190	(6,296)
Net cash used in operating activities	(58,612)	(31,513)
Cash flows from investing activities from continuing operations		
Purchase of property and equipment	(35)	–
Capitalization of internal-use software costs	(1,939)	(1,513)
Payments for acquisition of business, net of cash acquired	–	4,848
Proceeds from the sale of equity securities	8,145	–
Net cash provided by investing activities	6,171	3,335
Cash flows from financing activities from continuing operations		
Proceeds from issuance of notes payable, net of issuance cost	14,102	5,501
Principal repayment of notes payable	(9,803)	(9,507)
Proceeds from issuance of convertible notes, net of issuance cost	17,750	3,400
Proceeds from issuance of convertible notes, net of issuance cost, due to related parties	3,500	8,600
Repayment of convertible notes to related parties	-	(500)
Proceeds from issuance of long-term debt with CS Solis, net of issuance cost	-	25,000
Proceeds from exercise of common stock options	57	128
Proceeds from Mergers and PIPE Financing	4,219	–
Proceeds from Mergers and PIPE Financing from related parties	15,600	–

Proceeds from common stock	5,000	–
Payments for issuance costs of Series D-1, D-2 and D-3 redeemable convertible preferred stock	-	(1,431)
Net cash provided by financing activities from continuing operations	50,425	31,191
Effect of exchange rate changes	116	27
Net (decrease) increase in cash, cash equivalents and restricted cash	(1,900)	3,040
Cash, cash equivalents, and restricted cash at beginning of period	8,316	5,276
Cash, cash equivalents, and restricted cash at end of period	$ 6,416	$ 8,316
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	2,147	162
Cash paid during the year for income taxes	–	6
Supplemental schedule of noncash investing and financing activities:		
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	–	245
Carlyle warrant modification	10,862	–
Conversion of 2022 Convertible notes into common stock	30,625	–
Issuance of common stock warrants	3,516	3,589
Issuance of Series D redeemable convertible preferred stock upon conversion of SAFE	–	60,470
Issuance of Series D redeemable convertible preferred stock upon conversion of convertible debt	–	–
Conversion of 2022 Convertible Notes into common stock	21,561	–
Conversion of 2022 Convertible Notes issued to related parties into common stock	19,390	–
Conversion of preferred stock into common stock	155,630	–
Issuance of common stock in connection with forward purchase agreements [5]	35,490	–
Issuance of common stock bonus shares in connection with the Mergers [6]	2,394	–
Recapitalization of Legacy Complete Solaria Common stock into Complete Solaria Common Stock	1	–
Reclassification of investor deposit to PIPE funds	3,500	–
Reclassification of warrants between liabilities and equity	4,329	–
Issuance of Series D-1, D-2 and D-3 redeemable convertible preferred stock upon conversion of convertible debt, net of issuance costs of $1,431	–	11,558
Acquisition of business through issuance of common stock options	–	27,295
Acquisition of business through issuance of Series D redeemable convertible preferred stock	–	52,201
Acquisition of business through issuance of Series D redeemable convertible preferred stock warrants	–	7,812

(1) Non-cash interest expense to related parties of $0.4 million and $0.3 million during the fiscal years ended December 31, 2023 and 2022, respectively.

(2) Gain on extinguishment of convertible notes and SAFEs includes other income from related parties of zero and $1.4 million during the fiscal years ended December 31, 2023 and 2022, respectively.

(3) Issuance of forward purchase agreements includes other income from related parties of $0.4 million and zero during the fiscal years ended December 31, 2023 and 2022, respectively.

(4) Change in fair value of forward purchase agreement liabilities includes other expense from related parties of ($9.1) million and zero during the fiscal years ended December 31, 2023 and 2022, respectively.

(5) Issuance of common stock in connection with forward purchase agreements includes other expense from related parties of ($30.7) million and zero during the fiscal years ended December 31, 2023 and 2022, respectively.

(6) Issuance of common stock bonus shares to related parties in connection with the Mergers includes other expense of $0.7 million and zero during the fiscal years ended December 31, 2023 and 2022, respectively.

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

FREEDOM ACQUISITION I CORP.
CONSOLIDATED BALANCE SHEETS**Notes to Consolidated Financial Statements**

	December 31,	
	2022	**2021**
Assets		
Current assets:		
Cash	$ 72,923	$ 277,583
Prepaid expenses - short term	120,677	724,066
Total current assets	**193,600**	**1,001,649**
Prepaid expenses - long term	—	113,073
Cash and marketable securities held in Trust Account	349,927,313	345,105,681
Total Assets	**$ 350,120,913**	**$ 346,220,403**
Liabilities, Redeemable Ordinary Shares and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	$ 4,858,215	$ 2,579,641
Convertible promissory note – related party	828,600	—
Total current liabilities	**5,686,815**	**2,579,641**
Warrant liabilities	2,978,333	8,488,250
Deferred underwriters' discount payable	3,018,750	12,075,000
Total Liabilities	**11,683,898**	**23,142,891**
Commitments and Contingencies (See Note 7)		
Class A Ordinary shares subject to possible redemption 34,500,000 shares subject to possible redemption at redemption value at December 31, 2022 and 2021, respectively	349,927,313	345,000,000
Shareholders' Deficit:		
Preference shares, $0.0001 par value; 1,000,000 shares authorized; none issued or outstanding at December 31, 2022 and 2021	—	—
Class A ordinary shares, $0.0001 par value; 200,000,000 shares authorized at December 31, 2022 and 2021	—	—
Class B ordinary shares, $0.0001 par value; 20,000,000 shares authorized; 8,625,000 shares issued and outstanding at December 31, 2022 and 2021	863	863
Additional paid-in capital	6,057,438	—
Accumulated deficit	(17,548,599)	(21,923,351)
Total Shareholders' Deficit	**(11,490,298)**	**(21,922,488)**
Total Liabilities, Redeemable Ordinary Shares and Shareholders' Deficit	**$ 350,120,913**	**$ 346,220,403**

(1) Organization

The accompanying notes are an integral part (a) Description of the consolidated financial statements. Business

FREEDOM ACQUISITION I CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2022	**2021**
Operating costs	$ 4,407,058	$ 3,782,028
Loss from operations	**(4,407,058)**	**(3,782,028)**
Other income (expense):		
Foreign currency exchange loss	(17,638)	(1,475)
Interest income on marketable securities held in Trust Account	4,821,632	105,681
Reduction of transaction costs incurred in connection with IPO	271,687	—
Change in fair value of warrant liabilities	5,509,917	9,381,750
Change in fair value of convertible note	(196,200)	—
Offering expenses related to warrant issuance	—	(575,278)
Total other income, net	10,389,398	**8,910,678**
Net income	**$** 5,982,340	**$ 5,128,650**
Weighted average shares outstanding, Class A ordinary shares subject to possible redemption	34,500,000	28,828,767
Basic and diluted net income per share, Class A ordinary shares subject to possible redemption	$ 0.14	$ 0.14
Weighted average shares outstanding, Class B ordinary shares	8,625,000	8,440,068
Basic and diluted net income per share, Class B ordinary shares	$ 0.14	$ 0.14

The accompanying notes are an integral part of the consolidated financial statements.

FREEDOM ACQUISITION I CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT) EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in	Accumulated	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Capital	Deficit	(Deficit)
Balance – December 31, 2020	**—**	**$ —**	**8,625,000**	**$ 863**	**$ 24,137**	**$ (5,494)**	**$ 19,506**
Sale of 34,500,000 Units on March 2, 2021 through public offering	34,500,000	3,450	—	—	—	—	3,450
Excess of the fair value of private placement warrants over cash received	—	—	—	—	1,880,000	—	1,880,000
Class A ordinary shares subject to possible redemption	(34,500,000)	(3,450)	—	—	—	—	(3,450)
Remeasurement of Class A ordinary shares subject to possible redemption	—	—	—	—	(1,904,137)	(27,046,507)	(28,950,644)
Net income	—	—	—	—	—	5,128,650	5,128,650
Balance – December 31, 2021	**—**	**—**	**8,625,000**	**863**	**—**	**(21,923,351)**	**(21,922,488)**
Proceeds received on convertible note less than fair value	—	—	—	—	592,600	—	592,600
Accretion portion net against additional paid-in-capital	—	—	—	—	(592,600)	—	(592,600)
Accretion of Class A ordinary shares subject to possible redemption	—	—	—	—	(2,727,125)	(1,607,588)	(4,334,713)
Reduction of deferred underwriting fee payable	—	—	—	—	8,784,563	—	8,784,563
Net income	—	—	—	—	—	5,982,340	5,982,340
Balance – December 31, 2022	**—**	**$ —**	**8,625,000**	**$ 863**	**$ 6,057,438**	**$ (17,548,599)**	**$ (11,490,298)**

The accompanying notes are an integral part of the consolidated financial statements.

FREEDOM ACQUISITION I CORP.
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31.	
	2022	**2021**
Cash Flows from Operating Activities:		
Net income	$ 5,982,340	$ 5,128,650
Adjustments to reconcile net income to net cash used in operating activities:		
Interest earned on marketable securities held in Trust Account	(4,821,632)	(105,681)
Change in fair value of warrant liabilities	(5,509,917)	(9,381,750)
Change in fair value of convertible note	196,200	—
Change in deferred underwriting fee	(271,687)	—
Offering costs allocated to warrants	—	575,278
Changes in current assets and current liabilities:		
Prepaid expenses	716,462	(837,139)
Accounts payable and accrued expenses	2,278,574	2,579,641
Net cash used in operating activities	**(1,429,660)**	**(2,041,001)**
Cash Flows from Investing Activities:		
Investment of cash into Trust Account	—	(345,000,000)
Net cash used in investing activities	—	(345,000,000)
Cash Flows from Financing Activities:		
Proceeds from Initial Public Offering, net of underwriters' discount	—	338,595,000
Proceeds from issuance of Private Placement Warrants	—	9,400,000
Proceeds from issuance of Convertible Promissory Note	1,225,000	—
Repayment of promissory note to related party	—	(90,996)
Payments of offering costs	—	(585,420)
Net cash provided by financing activities	1,225,000	347,318,584
Net Change in Cash	(204,660)	277,583
Cash – Beginning	277,583	—
Cash – Ending	**$ 72,923**	**$ 277,583**
Supplemental disclosure of noncash financing activities:		
Initial value of Class A ordinary shares subject to possible redemption	$ —	$ 345,000,000
Initial value of warrant liabilities	$ —	$ 17,870,000
Deferred underwriters' discount payable charged to additional paid-in capital	$ —	$ 12,075,000
Accretion of Class A ordinary shares subject to possible redemption	$ 4,927,313	$ 28,950,644
Deferred offering costs paid under promissory note	$ —	$ 90,996

The accompanying notes are an integral part of the consolidated financial statements.

FREEDOM ACQUISITION I CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — Organization and Business Operations

Organization and General

Freedom Acquisition I Corp.Complete Solaria, Inc. (the "Company" or "Freedom" "Complete Solaria") is a residential solar installer headquartered in Fremont, California, which was formed through Complete Solar Holding Corporation's acquisition of The Solaria Corporation ("Solaria").

Complete Solar, Inc. ("Complete Solar") was incorporated in Cayman Islands Delaware on December 23, 2020 February 22, 2010. The Company was formed for the purpose of entering into a merger, capital share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (a "Business Combination"). The Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination. The Company is an early stage and emerging growth company and, as such, Through February 2022, the Company is subject to all operated as a single legal entity as Complete Solar, Inc. 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 risks associated Reorganization, Complete Solar Holdings became the successor entity to Complete Solar, Inc. The capitalization structure was not changed because of the Reorganization as all shares of Complete Solar, Inc common stock and preferred stock were exchanged on a one for one basis with early stage shares of Complete Solar Holdings common stock and emerging growth companies. preferred stock. The Reorganization was accounted for as a change in reporting entity for entities under common control. The historical assets and liabilities of Complete Solar, Inc. were transferred to Complete Solar Holdings at their carrying value, and there are no change to net income, other comprehensive income (loss), or any related per share amounts reported in the consolidated financial statements requiring retrospective application.

On October 3, 2022,In October 2022, the Company entered into a business combination agreement, as amended on December 26, 2022 and January 17, 2023 ("Original Business Combination Agreement Agreement") and as amended on May 26, 2023 ("Amended and Restated Business Combination Agreement"), with Jupiter Merger Sub I Corp., a Delaware corporation and a wholly owned subsidiary of the Company, Freedom Acquisition I Corp. ("FACT") ("First Merger Sub"), Jupiter Merger Sub II LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company, FACT ("Second Merger Sub"), Complete Solar Holding Corporation, a Delaware corporation, and Solaria, a Delaware corporation.

The transactions contemplated by the Amended and Restated Business Combination Agreement were consummated on July 18, 2023 ("Closing Date"). Following the consummation of the Merger on the Closing Date, FACT changed its name to "Complete Solaria, Inc."

As part of the transactions contemplated by the Amended and Restated Business Combination Agreement, FACT affected a deregistration under the Cayman Islands Companies Act and a domestication under Section 388 of the Delaware's General Corporation Law (the "DGCL" or "Domestication"). On the Closing Date, following the Domestication, First Merger Sub merged with and into Complete Solaria, with Complete Solaria surviving such merger as a wholly owned subsidiary of FACT (the "First Merger"), and immediately following the First Merger, 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 Second Merger Sub changed its name to CS, LLC, and immediately following the Second Merger, Solaria merged with and into a newly formed Delaware limited liability company and wholly-owned subsidiary of FACT and changed its name to The Solaria Corporation LLC ("Third Merger Sub"), with Third Merger Sub surviving as a Delaware corporation.

The Company's sponsor is Freedom Acquisition I LLC, a Cayman Islands limited liability company wholly-owned subsidiary of FACT (the "Sponsor").

As of December 31, 2022 "Additional Merger", and together with the Company had not yet commenced any operations. All activity through December 31, 2022, relates to the Company's formation First Merger and the Initial Public Offering ("IPO" or "Initial Public Offering") described below. The Company will not generate any operating revenues until after Second Merger, the completion of its initial Business Combination, at the earliest. The Company will generate non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the IPO and changes in the fair value of warrant liabilities. "Mergers").

Financing

The registration statement for the Company's IPO was declared effective on February 25, 2021 (the "Effective Date"). On March 2, 2021, the Company consummated the IPO of 34,500,000 units (the "Units" and, with respect to the Class A ordinary shares included in the Units being offered, the "public share"), at $10.00 per Unit, generating gross proceeds of $345,000,000, which is discussed in Note 4.

SimultaneouslyIn connection with the closing of the IPO, the Company consummated the sale of 6,266,667 warrants (the "Private Placement Warrants"), at a price of $1.50 per Private Placement Warrant, which is discussed in Note 5. Mergers:

- Each share of the Company's capital stock, inclusive of shares converted from 2022 Convertible Notes, issued and outstanding immediately prior to the Closing ("Legacy Complete Solaria Capital Stock") were cancelled and exchanged into an aggregate of 25,494,332 shares of Complete Solaria Common Stock.

Transaction costs amounted to $19,175,922, consisting of $6,405,000 of underwriting fees, $12,075,000 of deferred underwriting fees and $695,922 of other offering costs. Of the total transaction cost, $575,278 was expensed as non-operating expenses in the consolidated statement of operations with the rest of the offering cost charged to shareholders' deficit for the year ended December 31, 2021. The transaction costs were allocated based on the relative fair value basis, compared to the total offering proceeds, between the fair value of the public warrant liabilities and the Class A ordinary shares.

Trust Account

- In July 2023, (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) Polar Multi-Strategy Master Fund (“Polar”), and (iii) Diametric True Alpha Market Neutral Master Fund, LP, Diametric True Alpha Enhanced Market Neutral Master Fund, LP, and Pinebridge Partners Master Fund, LP (collectively, “Sandia”) (together, the “FPA Funding PIPE Investors”) entered into separate subscription agreements (the “FPA Funding Amount PIPE Subscription Agreements”) pursuant to which, the FPA Funding PIPE Investors subscribed for on the Closing Date, an aggregate of 6,300,000 shares of FACT Class A Ordinary Shares, less, in the case of Meteora, 1,161,512 FACT Class A Ordinary Shares purchased by Meteora separately from third parties through a broker in the open market (“Recycled Shares”) in connection with the Forward Purchase Agreements (“FPAs”). Subsequent to the Closing Date, Complete Solaria entered into an additional FPA Funding PIPE Subscription Agreement with Meteora, to subscribe for and purchase, and Complete Solaria agreed to issue and sell, an aggregate of 420,000 shares of Complete Solaria Common Stock. The Company issued shares of Complete Solaria Common Stock underlying the FPAs as of the latter of the closing of the Mergers or execution of the FPAs.

Following

- All certain investors (the “PIPE Investors”) purchased from the Company an aggregate of 1,570,000 shares of Complete Solaria Common Stock (the “PIPE Shares”) for a purchase price of $10.00 per share, for aggregate gross proceeds of $15.7 million (the “PIPE Financing”), including $3.5 million that was funded prior to the Closing Date, pursuant to subscription agreements (the “Subscription Agreements”). At the time of the PIPE Financing, Complete Solaria issued an additional 60,000 shares to certain investors as an incentive to participate in the PIPE Financing.
- On or around the Closing Date, pursuant to the New Money PIPE Subscription Agreements, certain investors affiliated with the New Money PIPE Subscription Agreements (“New Money PIPE Investors”) agreed to subscribe for and purchase, and Complete Solaria agreed to issue and sell to the New Money PIPE Investors an aggregate of 120,000 shares of Complete Solaria Common Stock for a purchase price of $5.00 per share, for aggregate gross proceeds of $0.6 million. Pursuant to its New Money PIPE Subscription Agreement, Complete Solaria issued an additional 60,000 shares of Complete Solaria Common Stock in consideration of certain services provided by it in the structuring of its FPA and the transactions described therein.
- Subsequent to the Closing, Complete Solaria issued an additional 193,976 shares of Complete Solaria Common Stock to the sponsors for reimbursing sponsors’ transfer to certain counterparties and issued an additional 150,000 shares of Complete Solaria Common Stock to an FPA investor for services provided in connection with the Mergers.
- In March 2023, holders of 23,256,504 of the originally issued 34,500,000 FACT Class A Ordinary shares exercised their rights to redeem those shares for cash, and immediately prior to the Closing there were 11,243,496 FACT Class A Ordinary Shares that remained outstanding. At the Closing, holders of 7,784,739 shares of Class A common stock of FACT exercised their rights to redeem those shares for cash, for an aggregate of approximately $82.2 million which was paid to such holders at Closing. The remaining FACT Class A Ordinary Share converted, on a one-for-one basis, into one share of Complete Solaria Common Stock.
- Each issued and outstanding FACT Class B Ordinary Share converted, on a one-for-one basis, into one share of Complete Solaria Common Stock.

In November 2022, Complete Solar Holdings acquired Solaria (as described in Note 4 – Business Combination) and changed its name to Complete Solaria, Inc. On August 18, 2023, the closing Company entered into a Non-Binding Letter of Intent to sell certain of Complete Solaria’s North American solar panel assets to Maxeon, Inc. (“Maxeon”). In October 2023, the IPO on March 2, 2021, an amount of $345,000,000 from the net proceeds of Company completed the sale of the Units in the IPO its solar panel business to Maxeon. Refer to Note 1(b) – Divestiture and the sale of the Private Placement Warrants was placed in a trust account (“Trust Account”). The funds in the Trust Account have, since the IPO and until the 24-month anniversary of the consummation of the IPO, been invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Investment Company Act, as determined by the Company. To mitigate the risk of the Company being deemed to have been operating as an unregistered investment company, prior to the 24-month anniversary of the consummation of the IPO, the Company instructed Continental, the trustee with respect to the Trust Account, to liquidate the U.S. government treasury obligations or money market funds held in the Trust Account and to hold all the funds in the Trust Account in cash in a bank deposit account. Except with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay its tax obligations, the proceeds from the IPO and the sale of the private placement units will not be released from the Trust Account until the earliest of (a) the completion of the Company’s initial Business Combination, (b) the redemption of any public shares properly submitted in connection with a shareholder vote to amend the Company’s amended and restated certificate of incorporation, and (c) the redemption of the Company’s public shares if the Company is unable to complete the initial Business Combination during the Combination Period (as defined below), subject to applicable law. The proceeds deposited in the Trust Account could become subject to the claims of the Company’s creditors, if any, which could have priority over the claims of the Company’s public shareholders. Note 8 – Divestiture.

Initial Business Combination***(b) Divestiture***

The Company's management has broad discretion with respect In October 2023, the Company completed the sale of its solar panel business to Maxeon, pursuant to the specific application terms of the net proceeds Asset Purchase Agreement (the "Disposal Agreement"). Under the terms of the IPO, although substantially 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. As of December 31, 2023, the Company sold all the shares and recorded a loss of $4.2 million in its consolidated statements of operations and comprehensive loss within loss from continuing operations.
This divestiture represents a strategic shift in Complete Solaria's business and qualifies as held for sale and as a discontinued operation. Based on the held for sale classification of the net proceeds are intended to be generally applied toward consummating a Business Combination.

The Company's Business Combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the balance in the Trust Account (net of taxes payable) at the time of the signing an agreement to enter into a Business Combination. However, the Company will only complete a Business Combination if the post-Business Combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. There is no assurance that the Company will be able to successfully effect a Business Combination.

The Company will provide its public shareholders with the opportunity to redeem all or a portion of their public shares upon the completion of the initial Business Combination either (i) in connection with a shareholder meeting called to approve the initial Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a proposed initial Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The shareholders will be entitled to redeem their shares for a pro rata portion of the amount then on deposit in the Trust Account (initially $10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations).

The Class A ordinary shares subject to redemption are recorded at redemption value and classified as temporary equity upon the completion of the IPO, in accordance with Accounting Standards Codification ("ASC") Topic 480, "Distinguishing Liabilities from Equity." In such case, the Company will proceed with a Business Combination if assets, the Company has net tangible reduced the carrying value of the disposal group to its fair value, less cost to sell and recorded an impairment loss associated with the held for sale intangible assets of at least $5,000,001 either immediately prior to or upon consummation of and goodwill. As a Business Combination and, if result, the Company seeks shareholder approval, a majority classified the results of its solar panel business in discontinued operations in its consolidated statements of operations and comprehensive loss for all periods presented. The cash flows related to discontinued operations have been segregated and are included in the consolidated statements of cash flows for all periods presented. Unless otherwise noted, discussion within the notes to the consolidated financial statements relates to continuing operations only and excludes the historical activities of the issued North American panel business. See Note 8 – Divestiture for additional information.
(c) Liquidity and outstanding shares voted are voted in favor of the Business Combination. Going Concern

On February 28, 2023, the Company's shareholders approved an amendment to its amended and restated memorandum and articles of association to extend the date by which the Company must complete a Business Combination from March 2, 2023 to June 2, 2023, and to thereafter further extend such period up to three times by an additional one month each time (up to September 2, 2023) (such period, as may be extended, the "Combination Period"). However, if the Company is unable to complete a Business Combination within the Combination Period, the Company will redeem 100% of the outstanding public shares for a pro rata portion of the funds held in the Trust Account, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company, divided by the number of then outstanding public shares, subject to applicable law and as further described in the registration statement, and then seek to dissolve and liquidate.

The Company's Sponsor, officers and directors have agreed to (i) waive their redemption rights with respect to their founder shares, private placement shares and public shares in connection with the completion of the initial Business Combination, (ii) waive their redemption rights with respect to their founder shares and public shares in connection with a shareholder vote to approve an amendment to the Company's amended and restated certificate of incorporation, and (iii) waive their rights to liquidating distributions from the Trust Account with respect to their founder shares and private placement shares if the Company fails to complete the initial Business Combination within the Combination Period.

The Company's Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third-party for services rendered or products sold to the Company, or a prospective target business with which Since inception, the Company has entered into a written letter incurred recurring losses and negative cash flows from operations. The Company incurred net losses of intent, confidentiality or similar agreement or Business Combination agreement, reduce $269.6 million and $29.5 million, during the amount fiscal years ended December 31, 2023 and 2022, respectively, and had an accumulated deficit of funds in the Trust Account to below the lesser $354.9 million and current debt of (i) $10.00 per public share and (ii) the actual amount per public share held in the Trust Account $61.9 million as of the date of the liquidation of the Trust Account, if less than $10.00 per share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act") December 31, 2023. However, the Company has not asked its Sponsor to reserve for such indemnification obligations, nor has the Company independently verified whether its Sponsor has sufficient funds to satisfy its indemnity obligations and believe that the Company's Sponsor's only assets are securities of the Company. Therefore, the Company cannot assure that its Sponsor would be able to satisfy those obligations.

Liquidity

As of December 31, 2022, the The Company had cash outside the Trust Account and cash equivalents of $72,923 available for working capital needs. All remaining cash held in the Trust Account is generally unavailable for the Company's use prior to an initial Business Combination and is restricted for use either in a Business Combination or to redeem ordinary shares. $2.6 million as of December 31, 2023. The Company may elect to withdraw from believes that its operating losses and negative operating cash flows will continue into the interest income earned on the trust account to pay the Company's tax obligations. As of December 31, 2022, the Company had interest income earned on the trust account of $4,821,632.

The Company may raise additional capital through loans or additional investments from the Sponsor or an affiliate of the Sponsor or certain of its directors and officers. The Sponsor may, but is not obligated to, lend the Company funds, from time to time in whatever amounts it deems reasonable in its sole discretion, to meet the Company's working capital needs. There can be no assurance that the Company will be able to obtain additional financing, however. Moreover, the Company may need to obtain additional financing either to complete its Business Combination or because the Company becomes obligated to redeem a significant number of its public shares upon consummation of its Business Combination, in which case the Company may issue additional securities or incur debt in connection with such Business Combination. Subject to compliance with applicable securities laws, the Company would only complete such financing simultaneously with the completion of its Business Combination.

If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of a potential transaction and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all.

Going Concern

In connection with the Company's assessment of going concern considerations in accordance with Accounting Standards Codification ("ASC") Topic 205-40, "Presentation of Financial Statements – Going Concern," pursuant to its Amended and Restated Certificate of Incorporation, the Company has until the end of the Combination Period to consummate a Business Combination. If a Business Combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Although the Company intends to consummate a Business Combination during the Combination Period, it is uncertain that the Company will be able to do so. This, as well as its liquidity condition, foreseeable future. These conditions raise substantial doubt about the Company's ability to continue as a going concern. No adjustments

Management plans to obtain additional funding and restructure its current debt. Historically, the Company's activities have been made to financed through private placements of equity securities, debt and proceeds from the carrying amounts of assets or liabilities should Merger. 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 required 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 the end of the Combination Period.

Risks and Uncertainties

Management is currently evaluating the impact of the COVID-19 pandemic and Russia-Ukraine war and has concluded that while it is reasonably possible that the virus and war could all. Failure to generate sufficient cash flows from operations, raise additional capital or reduce certain discretionary spending would have a negative material adverse effect on the Company's financial position, results of ability to achieve its operations and/or search for intended business objectives.

Therefore, there is substantial doubt about the entity's ability to continue as a target company, the specific impact is not readily determinable as of going concern within one year after the date of these financial statements. The that the consolidated financial statements are issued. The accompanying 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 might may result from the outcome of this uncertainty.

Consideration of IR Act Excise Tax

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly-traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly-traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not uncertainty related to its shareholders from which shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax.

Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and in the Company's ability to complete continue as a Business Combination. going concern.

Note 2 — Revision**(2) Summary of Previously-Issued Financial Statements**

In connection with the preparation of the Company's financial statements as of December 31, 2022, the Company identified an error in amounts reported in certain of the Company's previously-issued financial statements related to accounts payable. The Company incorrectly recorded intercompany operating bank transfers as payables whereas Legal and Professional Services was the accompanying debit in each transaction recorded. As a result, management determined that accounts payable and operational costs as of June 30, 2022 and September 30, 2022 were overstated by $205,869.

The following tables contain the revised financial information for the affected periods previously reported. The revisions do not have an impact on the Company's cash position and investments held in the Trust Account established in connection with the Initial Public Offering. The Company has not amended its previously filed Quarterly Reports on Form 10-Q for the two quarterly periods in 2022. The financial information that has been previously filed or otherwise reported for these affected periods are superseded by the information below in this Annual Report on Form 10-K.

The impact of the revision on the Company's financial statements is reflected in the following tables:

	As Previously Reported	Adjustment	As Revised
Balance Sheet as of June 30, 2022 (unaudited)			
Total Liabilities	$ 19,737,596	$ (205,869)	$ 19,531,727
Total Shareholders' Equity (Deficit)	$ (18,781,440)	$ 205,869	$ (18,575,571)
Balance Sheet as of September 30, 2022 (unaudited)			
Total Liabilities	$ 17,298,967	$ (205,869)	$ 17,093,098
Total Shareholders' Equity (Deficit)	$ (16,803,964)	$ 205,869	$ (16,598,095)

	As Previously Reported	Adjusted	As Revised
Condensed Statement of Operations for the Three Months Ended June 30, 2022 (unaudited)			
Operational Costs	$ 824,081	$ (205,869)	$ 618,212
Net Income (Loss)	$ 2,025,986	$ 205,869	$ 2,231,855
Basic and Diluted Net Income (Loss) per shares, Class A Ordinary Shares	$ 0.05	$ —	$ 0.05
Basic and Diluted Net Income (Loss) per shares, Class B Ordinary Shares	$ 0.05	$ —	$ 0.05
Condensed Statement of Operations for the Six Months Ended June 30, 2022 (unaudited)			
Operational Costs	$ 2,022,164	$ (205,869)	$ 1,816,295
Net Income (Loss)	$ 3,321,266	$ 205,869	$ 3,527,135
Basic and Diluted Net Income (Loss) per shares, Class A Ordinary Shares	$ 0.08	$ —	$ 0.08
Basic and Diluted Net Income (Loss) per shares, Class B Ordinary Shares	$ 0.08	$ —	$ 0.08
Condensed Statement of Operations for the Nine Months Ended September 30, 2022 (unaudited)			
Operational Costs	$ 2,508,476	$ (205,869)	$ 2,302,607
Net Income (Loss)	$ 6,726,111	$ 205,869	$ 6,931,980
Basic and Diluted Net Income (Loss) per shares, Class A Ordinary Shares	$ 0.16	$ —	$ 0.16
Basic and Diluted Net Income (Loss) per shares, Class B Ordinary Shares	$ 0.16	$ —	$ 0.16

	As Previously Reported	Adjusted	As Revised
Condensed Statement of Cash Flows for the Six Months Ended June 30, 2022 (unaudited)			
Net Income (Loss)	$ 3,321,266	$ 205,869	$ 3,527,135
Accounts payable and accrued expenses	$ 884,539	$ (205,869)	$ 678,670
Condensed Statement of Cash Flows for the Nine Months Ended September 30, 2022 (unaudited)			
Net Income (Loss)	$ 6,726,111	$ 205,869	$ 6,931,980
Accounts payable and accrued expenses	$ 226,411	$ (205,869)	$ 20,542

Note 3 — Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements are presented and accompanying notes have been prepared in conformity accordance with generally accepted accounting principles generally accepted in the United States U.S. of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC" ("SEC").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiary. wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Emerging Growth Company***(b) Use of Estimates***

The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart our Business Startups Act of 2012, (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison preparation of the Company's consolidated financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, and liabilities, and revenue, expenses, as well as related disclosure of contingent assets and liabilities. Significant estimates and assumptions made by management include, but are not limited to, the determination of:

- The allocation of the transaction price to identified performance obligations;
- Fair value of warrant liabilities;
- The reserve methodology for inventory obsolescence;
- The reserve methodology for product warranty;
- The reserve methodology for the allowance for credit losses; and
- The fair value of the forward purchase agreements
- The measurement of stock-based compensation

To the extent that there are material differences between these estimates and actual results, the Company's financial condition or operating results will be affected. The Company bases its estimates on past experience and other assumptions that the Company believes are reasonable under the circumstances, and the Company evaluates these estimates on an ongoing basis. The Company has assessed the impact and are not aware of any specific events or circumstances that required an update to the Company's estimates and assumptions or materially affected the carrying value of the Company's assets or liabilities at as of the date of issuance of this report. These estimates may change as new events occur and additional information is obtained.

(c) Segment Information

The Company conducts its business in one operating segment that provides custom solar solutions through a standardized platform to its residential solar providers and companies to facilitate the sale and installation of solar energy systems under a single product group. The Company's Chief Executive Officer ("CEO") is the Chief Operating Decision Maker ("CODM"). The CODM allocates resources and makes operating decisions based on financial information presented on a consolidated basis. The profitability of the Company's product group is not a determining factor in allocating resources and the CODM does not evaluate profitability below the level of the consolidated financial statements and company. All the reported amounts Company's long-lived assets are maintained in the U.S. of expenses during the reporting period. Actual results could differ from those estimates. America.

Estimates made in preparing these consolidated financial statements include, among other things, the fair value measurement of the Private Warrant liabilities.

Cash and Cash Equivalents***(d) Concentration of Risks***

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2022 and 2021.

Investments Held in Trust Account

At December 31, 2022, the assets held in the Trust Account were held in a money market fund with a maturity of 180 days or less. At December 31, 2021, the assets held in the Trust Account were held in cash and U.S. Treasury securities. The Company classifies its United States Treasury securities as held-to-maturity in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 320, "Investments—Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost and adjusted for the amortization or remeasurement of premiums or discounts.

As of December 31, 2022, investment in the Company's Trust Account consisted of $349,927,313 in a money market fund with a maturity of 180 days or less. Following the maturity of the U.S. Treasury Securities on December 1, 2022, the Company immediately reinvested the entirety of the Trust Account into a money market fund. The money market fund is disclosed at fair value on the consolidated balance sheet. As of December 31, 2021, investment in the Company's Trust Account consisted of $484 in cash and $345,105,197 in U.S. Treasury Securities. All of the U.S. Treasury Securities (the "T-bills") matured on March 3, 2022 and the Company purchased new T-bills. The Company considers all investments with original maturities of more than three months but less than one year to be short-term investments. The carrying value approximates the fair value due to its short-term maturity. The carrying value, excluding gross unrealized holding losses and fair value of held to maturity securities on December 31, 2022 and 2021 are as follows:

	Fair Value as of December 31, 2022
Cash	$ —
Money Market Funds	349,927,313
	$ 349,927,313

	Amortized Cost and Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value as of December 31, 2021
Cash	$ 484	$ —	$ —	$ 484
U.S. Treasury Securities	345,105,197	—	(6,065)	345,099,132
	$ 345,105,681	$ —	$ (6,065)	$ 345,099,616

A decline in the market value of held-to-maturity securities below cost that is deemed to be other than temporary results in an impairment that reduces the carrying costs to such securities' fair value. The impairment is charged to earnings and a new cost basis for the security is established. To determine whether an impairment is other than temporary, the Company considers whether it has the ability and intent to hold the investment until a market price recovery and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and the duration of the impairment, changes in value subsequent to year-end, forecasted performance of the investee, and the general market condition in the geographic area or industry the investee operates in.

Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective-interest method. Such amortization and remeasurement are included in the "interest income" line item in the statements of operations. Interest income is recognized when earned.

Convertible Promissory Notes—Related Party

The Company accounts for its convertible promissory notes under ASC 815, "Derivatives and Hedging" ("ASC 815"). Under ASC 815-15-25, the election can be at the inception of a financial instrument to account for the instrument under the fair value option under ASC 825. The Company has made such election for its convertible promissory notes. Using the fair value option, the convertible promissory notes are required to be recorded at their initial fair value on the date of issuance, each drawdown date, and each balance sheet date thereafter. Differences between the face value of the note and fair value at each drawdown date are recognized as either an expense in the consolidated statements of operations (if issued at a premium) or as a capital contribution (if issued at a discount). Changes in the estimated fair value of the notes are recognized as non-cash gains or losses in the consolidated statements of operations. Changes in the estimated fair value of the note are recognized as non-cash change in the fair value of the convertible promissory notes in the consolidated statements of operations.

Concentration of Credit Risk credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of a cash account and cash equivalents and accounts receivable. The Company's cash and cash equivalents are on deposit with major financial institutions. Such deposits may be in a excess of insured limits. The Company believes that the financial institution, which, at times, may exceed institutions that hold the Federal Depository Insurance Coverage of $250,000. At December 31, 2022 Company's cash are financially sound, and 2021, the accordingly, minimum credit risk exists with respect to these balances. The Company has not experienced any losses on this account.

Ordinary Shares Subject due to Possible Redemption

institutional failure or bankruptcy. The Company performs credit evaluations of its customers and generally does not require collateral for sales on credit. The Company reviews accounts for its Class A ordinary shares subject receivable balances to possible redemption in accordance with the guidance in ASC Topic 480, "Distinguishing Liabilities from Equity." Class A ordinary shares subject to mandatory redemption (if any) are classified as a liability instrument determine if any receivables will potentially be uncollectible and are measured at fair value. Conditionally redeemable ordinary shares (including ordinary shares that feature redemption rights includes any amounts that are either within determined to be uncollectible in the control allowance for credit losses. As of December 31, 2023, two customers had an outstanding balance that represented 38% and 16% of the holder or subject to redemption upon total accounts receivable balance. As of December 31, 2022, three single customers had outstanding balances that represented 27%, 18%, and 14%, respectively, of the occurrence total accounts receivable balance.

Concentration of uncertain events not solely within the Company's control) are classified customers

The Company defines major customers as temporary equity. At all other times, ordinary shares are classified as shareholders' deficit. The Company's ordinary shares feature certain redemption rights those customers who generate revenues that are considered to be outside exceed 10% of the Company's control annual net revenues. For the years ended December 31, 2023 and subject to 2022 one customer represented 55% and 47% of gross revenues, respectively.

Concentration of suppliers

For the occurrence of uncertain future events. Accordingly, as of December 31, 2022 and 2021, 34,500,000 Class A ordinary shares subject to possible redemption are presented at redemption value as temporary equity, outside of the shareholders' deficit section year ended December 31, 2023, one supplier represented 40% of the Company's inventory purchases. For the year ended December 31, 2022, three suppliers represented 74% of the Company's inventory purchases.

(e) Cash and Cash Equivalents

The Company considers all highly liquid securities that mature within three months or less from the original date of purchase to be cash equivalents. The Company maintains the majority of its cash balances with commercial banks in interest bearing accounts. Cash and cash equivalents include cash held in checking and savings accounts and money market accounts consisting of highly liquid securities with original maturity dates of three months or less from the original date of purchase.

(f) Restricted Cash

The Company classifies all cash for which usage is limited by contractual provisions as restricted cash. Restricted cash balance as of December 31, 2023 and 2022, was $3.8 million and $3.9 million, respectively. The restricted cash consists of deposits in money market accounts, which is used as cash collateral backing letters of credit related to customs duty authorities' requirements. The Company has presented these balances under restricted cash, as a long-term asset, in the consolidated balance sheets. The Company reconciles cash, cash equivalents, and restricted cash reported in the consolidated balance sheets respectively. that aggregate to the beginning and ending balances shown in the consolidated statements of cash flows as follows (in thousands):

Net Income Per Ordinary Share

The Company has two classes of shares, which are referred to as Class A ordinary shares and Class B ordinary shares. Earnings and losses are shared pro rata between the two classes of shares. The 14,891,667 potential ordinary shares for outstanding warrants to purchase the Company's shares were excluded from diluted earnings per share for the years ended December 31, 2022 and 2021 because the warrants are contingently exercisable, and the contingencies have not yet been met. As a result, diluted net income per ordinary share is the same as basic net income per ordinary share for the periods presented. The table below presents a reconciliation of the numerator and denominator used to compute basic and diluted net income per share for each class of ordinary share:

	For the Years Ended December 31,			
	2022		2021	
	Class A	Class B	Class A	Class B
Basic and diluted net income per share:				
Numerator:				
Allocation of net income	$ 4,785,872	$ 1,196,468	$ 3,967,193	$ 1,161,457
Denominator:				
Weighted average shares outstanding	34,500,000	8,625,000	28,828,767	8,440,068
Basic and diluted net income per share	$ 0.14	$ 0.14	$ 0.14	$ 0.14

	As of December 31,	
	2023	2022
Cash and cash equivalents	$ 2,593	$ 4,409

Restricted cash	3,823	3,907
Total cash, cash equivalents, and restricted cash	$ 6,416	$ 8,316

Offering***(g) Accounts Receivable, Net***

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for credit losses for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, management considers historical losses adjusted to take into account current market conditions and customers' financial condition, the amount of receivables in dispute, the current receivables aging and customer payment patterns. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Recoveries of accounts receivable previously written off are recorded when received. The following table summarizes the allowance for doubtful accounts as of December 31, 2023 and 2022 (in thousands):

	As of December 31,	
	2023	**2022**
Balance at beginning of period	$ (4,812)	$ (2,569)
Provision charged to earnings	(5,083)	(2,243)
Amounts written off, recoveries and other adjustments	49	-
Balance at end of period	$ (9,846)	$ (4,812)

The Company does not have any off-balance sheet credit exposure relating to its customers.

(h) Inventories

Inventories consist of solar panels and the components of solar energy systems which the Company classifies as finished goods. Costs are computed under the average cost method. The Company identifies inventory which is considered obsolete or in excess of anticipated demand based on a consideration of marketability and product life cycle stage, component cost trends, demand forecasts, historical revenues, and assumptions about future demand and market conditions to state inventory at the lower of cost or net realizable value.

(i) Revenue Recognition

Revenue is recognized when a customer obtains control of promised products and services and the Company has satisfied its performance obligations. 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.

Revenues – Solar Energy System Installations

The Company generates revenue primarily from the design and installation of a solar energy system and performing post-installation services. 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* – The Company contracts directly with a distribution partner to perform the solar energy system installation, and the homeowner will finance the system through a power purchase agreement, which is signed with the Company's distribution partner. The Company considers the distribution partner to be its customer, as the Company does not contract directly with the homeowner. The Company receives consideration from the distribution 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.

In each of the Company's customer contract types, the Company's revenue consists of two performance obligations, which include the performance of the installation of the solar energy system and post- installation services.

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 Company recognizes revenue upon the completion of installation services, which occurs upon the transfer of control of the solar energy system and title of the related hardware components to the homeowner or distribution partner.

Post-installation services consist primarily of administrative services and customer support, which the Company performs between the completion of installation and the date of inspection of the solar energy system by the authority having jurisdiction. The Company recognizes revenue at a point in time, which is when the inspection occurs.

As the Company's contracts with customers contain multiple performance obligations, the transaction price is allocated to each performance obligation based on its standalone selling price. The Company generally determines the standalone selling price based on the estimated costs incurred in the delivery of each performance obligation, relative to the total costs to be incurred under the contract.

The Company records deferred revenue for amounts invoiced that are not subject to refund upon termination. 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 installment 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.

The Company guarantees to customers certain specified minimum solar energy production output of the solar energy system for 10-years after the installation. The Company monitors the solar energy systems to determine whether these specified minimum outputs are being achieved. The Company will issue payments to customers if the output falls below contractually stated thresholds over the performance guarantee period. Revenue is recognized to the extent it is probable that a significant reversal of such revenue will not occur.

Revenues – Software Enhanced Services

The Company complies generates revenue from software enhanced services through the provision of design and proposal services. The Company's customers for design services are solar installers who leverage the Company's expertise and software platforms to obtain structural letters, computer aided designs and electrical reviews. The Company charges the customer a per design fixed fee for each type of service that is performed, and the Company recognizes revenue in the period the services are performed. The customer contracts contain the customer right to terminate the contract each month and are therefore enforceable only for the contracted services purchased each month. Revenue is recognized for design services in the month the services are performed.

The Company's customers for proposal services for solar sales organizations who contract with the requirements Company to develop proposals for their potential residential solar customers. The Company generates proposals for the customer using the HelioQuote platform. Customers may purchase a fixed number of proposals for a given month or may contract on a pay as you go basis, and the ASC 340-10-S99-1 performance obligation is defined by the number of proposals purchased by the customer each month. The customer contracts contain the customer right to terminate the contract each month and SEC Staff Accounting Bulletin ("SAB") Topic 5A - "Expenses of Offering". Offering costs consist principally of professional and registration fees incurred through are therefore enforceable only for the balance sheet date that services purchased each month. Revenue is recognized for proposal services in the month the services are related performed.

Warranties

The Company typically provides a 10-year warranty on its solar energy system installations, which provides assurance over the workmanship in performing the installation, including roof leaks caused by the Company's performance. For solar panel sales recognized prior to the Public Offering Disposal Transaction, the Company provides a 30-year warranty that the products will be free from defects in material and workmanship.

When the revenues are recognized for the solar energy systems installations services, the Company accrues liabilities for the estimated future costs of meeting its warranty obligations. The Company makes and revises these estimates based primarily on the volume of new sales that were charged to temporary equity upon contain warranties, historical experience with and projections of warranty claims, and estimated solar energy system and panel replacement costs. The Company records a provision for estimated warranty expenses in cost of revenues within the completion of the IPO. Accordingly, on December 31, 2022, offering costs totaling $19,175,922 have been charged to temporary equity (consisting of $6,405,000 of underwriting fees, $12,075,000 of deferred underwriting fees and $695,922 of other offering costs). Of the total transaction cost, $575,278 was recorded as a non-operating expense in the accompanying consolidated statements of operations and comprehensive loss.

Shipping and handling costs and certain taxes

Revenues are recognized net of taxes collected from customers and remitted to governmental authorities. Shipping and handling costs associated with outbound freight are accounted for as a fulfillment cost and are included in both revenues and cost of revenues in the accompanying consolidated statements of operations and comprehensive loss.

Deferred revenue

The Company typically invoices its customers upon completion of set milestones, generally upon installation of the solar energy system with the rest of remaining balance invoiced upon passing final building inspection. Standard payment terms to customers range from 30 to 60 days. When the offering cost charged Company receives consideration, or when such consideration is unconditionally due, from a customer prior to temporary equity. The transaction costs were allocated based on the relative fair value basis, compared delivering goods or services to the total offering proceeds, between customer under the fair value terms of a customer agreement, the public warrant liabilities and Company records deferred revenue. As installation projects are typically completed within 12-months, the Class A ordinary shares. As of October 25, 2022, and November 2, 2022, respectively, J.P. Morgan Securities LLC and Deutsche Bank Securities Inc. have waived their portions of the Company's deferred underwriting fee which revenue is reflected in current liabilities in the accompanying consolidated statement balance sheets. The amount of revenue recognized during the years ended December 31, 2023 and 2022 that was included in deferred revenue at the beginning of each period was $2.1 million and $3.9 million, respectively.

Disaggregation of revenue

Refer to the table below for the Company's revenue recognized by product and service type (in thousands):

	Fiscal Year Ended December 31,	
	2023	2022
Solar energy system installations	$ 84,858	$ 62,896
Software enhanced services	2,758	3,579
Total revenue	$ 87,616	$ 66,475

For the years ended December 31, 2023 and 2022, all revenue recognized was generated in the U.S.

Remaining performance obligations

The Company has elected the practical expedient not to disclose remaining performance obligations for contracts that are less than one year in length. As of December 31, 2023, the Company has deferred $1.2 million associated with a long-term service contract, which will be recognized evenly through 2028. The Company has deferred $1.3 million associated with a long-term service contract as of December 31, 2022.

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 expense in accordance with the timing of the related revenue recognition. Amortization of deferred commissions is recorded as sales commissions in the accompanying consolidated statements of operations and comprehensive loss. As of December 31, 2023 and 2022, deferred commissions were $4.2 million and $2.8 million, respectively, which were included in prepaid expenses and other current assets in the accompanying consolidated statement balance sheets.

(j) Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. When assets are retired or disposed of, changes the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in shareholders' deficit the current period. Repair and maintenance costs are expensed as a reduction incurred. Depreciation and amortization are calculated using the straight-line method over the following estimated useful lives of transaction the assets:

	Useful Lives
Manufacturing equipment	1 – 3 years
Developed software	5 years
Furniture & equipment	3 – 5 years
Leasehold improvements	3 – 5 years

(k) Internal-Use Software

The Company capitalizes costs to develop its internal-use software when preliminary development efforts are successfully completed, management has authorized and committed project funding, it is probable that the project will be completed, and the software will be utilized as intended. These costs include personnel and related employee benefits and expenses for employees who are directly associated with and who devote time to software projects, and external direct costs of materials and services consumed in developing or obtaining software. Costs incurred prior to meeting these criteria, together with costs incurred in connection with IPO. Therefore, for training and maintenance, are expensed as incurred. Costs incurred for enhancements that are expected to provide additional material functionality are capitalized and amortized over the deferred underwriting fee was reduced by $9,056,250, of which $271,687 is shown in the consolidated statement of operations as a reduction of transaction costs incurred in connection with the IPO and $8,784,563 is charged to additional paid-in capital in the consolidated statement of changes in shareholders' deficit. As a result estimated useful life of the reductions, related upgrade. During the outstanding deferred underwriting fee payable was reduced to $3,018,750. years ended December 31, 2023 and 2022, the Company capitalized $1.9 million and $1.5 million, respectively, of internal-use software development costs. The remaining unamortized balance as of December 31, 2023 and December 31, 2022 of $3.8 million and $2.7 million, respectively, is included in property and equipment, net within the accompanying consolidated balance sheets.

Fair Value of Financial Instruments

The fair value

(l) Cost of the Company's assets Revenues

Cost of revenues includes actual cost of material, labor and liabilities, which qualify related overhead incurred for revenue-producing units, and includes associated warranty costs, freight and delivery costs, depreciation, and amortization of internally developed software.

(m) Advertising and Promotional Expenses

Advertising and promotional costs are expensed as financial instruments under the Financial Accounting Standards Board ("FASB") ASC 820, "Fair Value Measurements incurred and Disclosures," approximates the carrying amounts represented included in sales and marketing expense in the consolidated balance sheets.

Derivative Warrant Liabilities

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued share purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815-15. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The Company accounts for its 14,891,667 ordinary shares warrants issued in connection with its Initial Public Offering (8,625,000) and Private Placement (6,266,667) as derivative warrant liabilities in accordance with ASC 815-40. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company's accompanying consolidated statements of operations. The fair value of operations and comprehensive loss. Advertising costs were not material for the Private Placement Warrants has been estimated using Monte Carlo simulations at each measurement date. The fair value of the Public Warrants was initially estimated using Monte Carlo simulations. After the Public Warrants were separately traded, the measurement of the Public Warrants used an observable market quote in an active market. years ended December 31, 2023 and 2022.

(n) Income Taxes

Income Taxes

The Company follows taxes are accounted for under the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes." asset-and-liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements statement carrying amounts of existing assets and liabilities and their respective tax bases. bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included includes the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to The Company recognizes the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement effect of income tax positions taken or expected to be taken in a tax return. For only if those benefits to be recognized, a tax position must be positions are more likely than not to be sustained upon examination by taxing authorities. sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company recognizes accrued interest and penalties, if any, related to unrecognized tax benefits as in income tax expense. provision.

(o) Foreign Currency

The Company's reporting currency is the US dollar. The functional currency for each of the Company's foreign subsidiaries is the local currency, as it is the monetary unit of account of the principal economic environments in which the Company's foreign subsidiaries operate. Assets and liabilities of the foreign subsidiaries are translated at the current exchange rate as of the end of the period, and revenue and expenses are translated at the average exchange rates in effect during the period. The gain or loss resulting from the process of translating foreign currency financial statements into US dollar financial statements is accounted for as a foreign currency cumulative translation adjustment and is reported as a component of accumulated other comprehensive loss. Foreign currency transaction gains and losses resulting from transactions denominated in a currency other than the functional currency are recognized in Other Income (expense), net in the consolidated statements of operations and comprehensive loss.

(p) Comprehensive Loss

Comprehensive loss consists of two components, net loss and other comprehensive income (loss), net. The Company's other comprehensive loss consists of foreign currency translation adjustments that result from the consolidation of its foreign entities and is reported net of tax effects.

(q) Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, ROU assets, and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, and quoted market values, as considered necessary.

There were no impairment charges recorded in continuing operations for the years ended December 31, 2023 and 2022.

(r) Intangible Assets, Net

Intangible assets are recorded at the cost, less accumulated amortization. Amortization is recorded using the straight-line method. All intangible assets that have been determined to have definite lives are amortized over their estimated useful life as indicated below:

	Useful Lives
Assembled workforce	2 years

(s) Deferred Transaction Costs

Deferred transaction costs, which consist of direct incremental legal, consulting and accounting fees related to the merger with Freedom in July 2023, are capitalized until they were recorded against proceeds upon the consummation of the transaction. In accounting for the Mergers, direct offering costs of approximately $5.7 million were reclassified to additional paid-in capital and netted against the Mergers proceeds received upon close. As of December 31, 2023, there were no unrecognized tax benefits and no amounts accrued for interest and penalties as deferred transaction costs. As of December 31, 2022 and December 31, 2021. , the Company had recorded $1.1 million of deferred transaction costs in other noncurrent assets on the consolidated balance sheets.

(t) Stock-Based Compensation

The Company is currently not aware recognizes stock-based compensation expense over the requisite service period on a straight- line basis for all stock-based payments that are expected to vest to employees, non-employees and directors, including grants of any issues under review that could result in significant payments, accruals or material deviation from its position. employee stock options and other stock-based awards. Equity-classified awards issued to employees, non-employees such as consultants and non-employee directors are measured at the grant-date fair value of the award. Forfeitures are recognized as they occur. For accounting purposes, the Company estimates grant-date fair value of stock options using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock prior to the Mergers, the expected term of the option the expected volatility of the price of the Company's common stock and expected dividend yield. The Company determines these inputs as follows:

Expected Term—Expected term represents the period that the Company's stock-based awards are expected to be outstanding and is subject determined using the simplified method.

Expected Volatility—Expected volatility is estimated by studying the volatility of comparable public companies for similar terms.

Expected Dividend—The Black-Scholes valuation model calls for a single expected dividend yield as an input. The Company has never paid dividends and has no plans to income tax examinations by major taxing authorities since inception. pay dividends.

Risk-free Interest Rate—The Company derives the risk-free interest rate assumption from the U.S. Treasury's rates for the U.S. Treasury zero-coupon bonds with maturities similar to those of the expected term of the awards being valued.

(u) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market.

When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

There is currently no taxation imposed on income

- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Financial assets and liabilities held by the Government Company measured at fair value on a recurring basis as of December 31, 2023 and 2022 include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, the Cayman Islands. In accordance with federal income tax regulations, income taxes warrant liabilities and FPA liabilities.

The carrying amounts of cash, accounts receivable, accounts payable and accrued expenses approximate their fair value because of their short-term nature (classified as Level 1).

The warrant liabilities and FPA liabilities are not levied on measured at fair value using Level 3 inputs. The Company records subsequent adjustments to reflect the Company, but rather on increase or decrease in estimated fair value at each reporting date within the individual owners. United States ("U.S.") taxation would occur on the individual owners if certain tax elections are made by U.S. owners consolidated statements of operations and the Company were treated comprehensive loss as a passive foreign investment company. component of other income.

(v) Net Loss Per Share

The Company believes that it was a passive foreign investment company computes net loss per share following ASC 260, *Earnings Per Share*. Basic net loss per share is measured as the income or loss available to common stockholders divided by the weighted average common shares outstanding for the 2021 period. Diluted net loss per share presents the dilutive effect on a per-share basis from the potential exercise of options and/or warrants. The potentially dilutive effect of options or warrants are computed using the treasury stock method. Securities that potentially have an anti-dilutive effect (i.e., those that increase income per share or decrease loss per share) are excluded from the diluted loss per share calculation.

(w) Convertible Debt Embedded Derivative Liabilities

The Company evaluates the embedded conversion feature within its convertible debt instruments under ASC 815-15 and 2022 taxable years. Additionally, U.S. taxation could occur ASC 815-40 to the Company itself determine if the Company is engaged in conversion feature meets the definition of a U.S. trade or business. The Company is not expected liability and, if so, whether to be treated bifurcate the conversion feature and account for it as engaged in a U.S. trade or business at this time.

Recent Accounting Standards

In August 2020, the FASB issued Accounting Standards Update ("ASU") 2020-06, "Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40) ("ASU 2020-06")" to simplify accounting for certain separate derivative liability. For derivative financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to accounted for as liabilities, the derivative instrument is initially recorded at its fair value and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective January 1, 2024 and should be applied on a full or modified retrospective basis, then re-valued at each reporting date, with early adoption permitted beginning on January 1, 2021. The guidance was adopted starting January 1, 2022. Adoption of the ASU did not impact the Company's financial position, results of operations or cash flows.

Management does not believe that any recently issued, but not effective, accounting standards, if currently adopted, would have a material effect on the Company's financial statements.

Note 4 — Initial Public Offering

Pursuant to the Initial Public Offering, the Company sold 34,500,000 Units, (at a price of $10.00 per Unit. Each Unit consists of one share of Class A Ordinary shares, par value $0.0001 per share one-fourth of one redeemable warrant ("Public Warrant"). Each whole Public Warrant entitles the holder to purchase one share of Class A Ordinary shares at a price of $11.50 per share.

All of the 34,500,000 Class A ordinary share sold as part of the Units in the IPO contain a redemption feature which allows for the redemption of such public shares in connection with the Company's liquidation, if there is a shareholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company's certificate of incorporation. In accordance with SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99, redemption provisions not solely within the control of the Company require ordinary shares subject to redemption to be classified outside of permanent equity.

The Class A ordinary share is subject to SEC and its staff's guidance on redeemable equity instruments, which has been codified in ASC 480-10-S99. If it is probable that the equity instrument will become redeemable, the Company has the option to either accrete changes in the redemption fair value over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument or to recognize changes reported in the redemption value immediately consolidated statements of operations and comprehensive loss. The classification of derivative instruments, including whether such instruments should be recorded as they occur and adjust the carrying amount of the instrument to equal the redemption value liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the consolidated balance sheets as current or non-current based on whether net-cash settlement of the derivative instrument could be required within twelve months after the balance sheet date. The derivative is subject to re-measurement at the end of each reporting period, with changes in fair value recognized as a component of other income (expense), net, in the consolidated statements of operations and comprehensive loss. The Company's embedded derivative liabilities were extinguished in the first quarter of 2022.

(x) Leases

Effective January 1, 2021, the Company early adopted Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), as amended ("ASC 842"). The Company recognizes determines if a contract is a lease or contains a lease at the inception of the contract and reassesses that conclusion if the contract is modified. The Company's lease agreements generally contain lease and non-lease components. Payments under lease arrangements are primarily fixed. The

Company combines lease and non-lease components and accounts for them together as a single lease component. All leases are assessed for classification as an operating lease or a finance lease. Operating lease right-of-use (“ROU”) assets are presented separately on the Company’s consolidated balance sheets. Operating lease liabilities are separated into a current portion and non-current portion and are presented separately on the Company’s consolidated balance sheets. The Company does not have finance lease ROU assets or liabilities.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. The Company does not obtain and control its right to use the identified asset until the lease commencement date.

The Company generally uses its incremental borrowing rate to discount the lease payments to present value. The estimated incremental borrowing rate is derived from information available at the lease commencement date. The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that we will exercise that option. The Company generally uses the base, non-cancelable, lease term when determining the lease assets and liabilities. The Company also records a corresponding right-of-use asset and applicable lease commencement date, which is calculated based on the amount of the lease liability, adjusted for any advance lease payments made, lease incentives received, and initial direct costs incurred. Right-of-use assets are subject to evaluation for impairment or disposal on a basis consistent with other long-lived assets.

The Company has elected, for all classes of underlying assets, not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. Lease cost for short-term leases is recognized on a straight-line basis over the lease term.

(y) Warrant Liabilities

The Company accounts for its warrant liabilities in accordance with the guidance in ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity*, under which the warrants that do not meet the criteria for equity classification and must be recorded as liabilities. The warrant liabilities are measured at fair value at inception and at each reporting date in accordance with the guidance in ASC 820, *Fair Value Measurement*, with any subsequent changes in redemption fair value recognized in other income (expense), net on the consolidated statements of operations and comprehensive loss. Refer to Note 5 – Fair Value Measurements and Note 14 – Warrants.

(z) Forward Purchase Agreements

The Company accounts for its forward purchase agreements ("FPAs") in accordance with the guidance in ASC 480, *Distinguishing Liabilities from Equity*, as the agreements embody an obligation to transfer assets to settle a forward contract. The warrant liabilities are measured at fair value at inception and at each reporting date in accordance with the guidance in ASC 820, *Fair Value Measurement*, with any subsequent changes in fair value recognized in other income (expense), net on the consolidated statements of operations and comprehensive loss. Refer to Note 5 – Fair Value Measurements and Note 6 – Forward Purchase Agreements.

(aa) Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and subsequent related ASUs, which amends the guidance on the impairment of financial instruments by requiring measurement and recognition of expected credit losses for financial assets held. ASU 2016-13 is effective for public and private companies' fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019, and December 15, 2022, respectively. The Company adopted ASU 2016-13 under the private company transition guidance beginning January 1, 2023. The adoption did not have a material impact on the Company's consolidated financial statements.

(bb) Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07 “Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures” (“ASU 2023-07”). The ASU expands public entities’ segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective adoption. The Company is currently evaluating ASU 2023-07 but expects the impact of the disclosures to be immaterial to the Company’s consolidated financial statements.

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

(3) Reverse Recapitalization

As discussed in Note 1 – Organization, on July 18, 2023, the Company consummated the Mergers pursuant to the Amended and Restated Business Combination Agreement. The Mergers was accounted for as a reverse recapitalization, rather than a business combination, for financial accounting and reporting purposes. Accordingly, Complete Solaria was deemed the accounting acquirer (and legal acquiree) and FACT was treated as the accounting acquiree (and legal acquirer). Complete Solaria has been determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- Complete Solaria’s pre-combination stockholders have the majority of the voting power in the post- merged company;
- Legacy Complete Solaria’s stockholders have the ability to appoint a majority of the Complete Solaria Board of Directors;
- Legacy Complete Solaria’s management team is considered the management team of the post-merged company;
- Legacy Complete Solaria’s prior operations is comprised of the ongoing operations of the post-merged company;
- Complete Solaria is the larger entity based on historical revenues and business operations; and
- the post-merged company has assumed Complete Solaria’s operating name.

Under this method of accounting, the reverse recapitalization was treated as the equivalent of Complete Solaria issuing stock for the net assets of FACT, accompanied by a recapitalization. The net assets of FACT are stated at historical cost, with no goodwill or other intangible assets recorded. The consolidated assets, liabilities, and results of operations prior to the Mergers are those of Legacy Complete Solaria. All periods prior to the Mergers have been retrospectively adjusted in accordance with the Amended and Restated Business Combination Agreement for the equivalent number of preferred or common shares outstanding immediately after the Mergers to effect the reverse recapitalization.

Upon the closing of the Mergers and the PIPE Financing in July 2023, the Company received net cash proceeds of $19.7 million. The following table reconciles the elements of the Mergers to the audited consolidated statements of cash flows and the audited consolidated statements of stockholders' deficit for the year-ended December 31, 2023 (in thousands):

	Recapitalization
Cash proceeds from FACT, net of redemptions	$ 36,539
Cash proceeds from PIPE Financing	12,800
Less: cash payment of FACT transaction costs and underwriting fees	(10,680)
Less: cash payment to FPA investors for rebates and recycled shares	(17,831)
Less: cash payment for Promissory Note	(1,170)
Net cash proceeds upon the closing of the Mergers and PIPE financing	19,658
Less: non-cash net liabilities assumed from FACT	(10,135)
Net contributions from the Mergers and PIPE financing upon closing	$ 9,523

Immediately upon closing of the Mergers, the Company had 45,290,553 shares issued and outstanding of Class A Common Stock. The following table presents the number of shares of Complete Solaria Common Stock outstanding immediately following the consummation of the Mergers:

	Recapitalization
FACT Class A Ordinary Shares, outstanding prior to Mergers	34,500,000
FACT Class B Ordinary Shares, outstanding prior to Mergers	8,625,000
Bonus shares issued to sponsor	193,976
Bonus shares issued to PIPE investors	120,000
Bonus shares issued to FPA investors	150,000
Shares issued from PIPE financing	1,690,000
Shares issued from FPA agreements, net of recycled shares	5,558,488
Less: redemption of FACT Class A Ordinary Shares	(31,041,243)
Total shares from the Mergers and PIPE Financing	19,796,221
Legacy Complete Solaria shares	20,034,257
2022 Convertible Note Shares	5,460,075
Shares of Complete Solaria Common stock immediately after Mergers	45,290,553

In connection with the Mergers, the Company incurred direct and incremental costs of approximately $16.4 million related to legal, accounting, and other professional fees, which were offset against the Company's additional paid-in capital. Of the $16.4 million, $5.8 million was incurred by Legacy Complete Solaria and $10.6 million was incurred by FACT. As of December 31, 2023, the Company made cash payments totaling $5.4 million to settle transaction costs. As a result of the Closing, outstanding 2022 Convertible Notes were converted into shares of Complete Solaria Common Stock.

(4) Business Combination

Solaria Acquisition

On November 4, 2022, Complete Solar Holdings acquired Solaria for aggregate consideration paid of $89.1 million, comprising of $0.1 million in cash, 2,884,550 shares of common stock with an aggregate fair value of $17.3 million, 6,803,549 shares of preferred stock with an aggregate fair value of $52.2 million, 78,962 common stock warrants for an aggregate value of $0.2 million, 1,376,414 preferred stock warrants for an aggregate fair value of $7.8 million, 5,382,599 stock options with an aggregate fair value of $10.0 million attributable to services provided prior to the acquisition date, and the payment of seller incurred transaction expenses of $1.5 million. In addition, the Company assumed $14.1 million of unvested Solaria stock options, which has been and will be recorded as they occur. Immediately stock-based expense over the remaining service period. Solaria designs, develops, manufactures, and generates revenue from the sale of silicon photovoltaic solar panels and licensing of its technology to third parties. At the time of the acquisition, the Company believed that the acquisition of Solaria would establish the Company as a full system operator, with a compelling customer offering with best-in-class technology, financing, and project fulfilment, which would enable the Company to sell more product across more geographies in the U.S. and Europe. This transaction was accounted for as a business combination in accordance with ASC 805, *Business Combinations*. Subsequent to the acquisition as discussed above, the Company sold certain intangible assets constituting the Solaria business in October of 2023, resulting in the results of the Solaria business to be reflected as discontinued operations and certain intangible assets and goodwill to be recognized as held-for-sale. Refer to Note 8 – Divestiture for further details.

Acquisition costs of $1.3 million were expensed by the Company and are included in general and administrative expenses within the consolidated statements of operations and comprehensive loss for the year ended December 31, 2022.

The fair value of assets acquired and liabilities assumed was based upon a preliminary valuation and the Company's estimates and assumptions are subject to change within the measurement period. The following table summarized the provisional fair value of identifiable assets acquired and liabilities assumed (in thousands):

Cash, cash equivalents and restricted cash	$	5,402
Accounts receivable		4,822
Inventories		5,354
Prepaid expenses and other current assets		8,569
Property and equipment		830
Operating lease right-of-use asset		1,619
Intangible assets		43,100
Other non-current assets		112
Total identifiable assets acquired		69,808
Accounts payable		4,210
Accrued expenses and other current liabilities		11,845
Notes payable		20,823
Deferred revenue		73
Operating lease liabilities, net of current portion		1,132
Warranty provision, noncurrent		1,566
SAFE agreements		60,470
Total identifiable liabilities assumed		100,119
Net identifiable liabilities assumed		30,311
Goodwill		119,422
Total aggregate consideration paid	$	89,111

Goodwill represents the excess of the preliminary estimated consideration transferred over the fair value of the net tangible and intangible assets acquired and has been allocated to the Company's single reporting unit. Goodwill was subsequently reclassified to long-term assets held for sale – discontinued operations, on the Company's balance sheet as of December 31, 2022, stemming from the sale of the Solaria business discussed in Note 8 – Divestiture below.

Intangible assets acquired and subsequently disposed of as part of the Solaria sale discussed in Note 8 – Divestiture below are as follows (in thousands):

Trademarks	$ 5,700
Developed technology	12,700
Customer relationships	24,700
Total intangible assets	$ 43,100

The income approach, using the relief from royalty method, was used to value trademarks and developed technology. Significant assumptions included in the valuation of trademarks and developed technology include projected revenues, the selected royalty rate and the economic life of the underlying asset.

The income approach, using the multi-period excess earning method, was used to value customer relationships. Significant assumptions included in the valuation of customer relationships include projected revenues, customer attrition and expense growth over the forecasted period.

As a result of the Solaria acquisition, the Company recognized $45.9 million of deferred tax assets. Due to the uncertainty surrounding the Company's ability to realize such deferred income tax assets, a full valuation allowance has been established. Net operating losses were incurred by Solaria from November 4, 2022 through the divestiture in 2023. An unrecognized tax benefit was recorded in 2023 related to all acquired losses and post-acquisition losses due to the divestiture. Refer to Note 19 – Income Taxes for additional details.

(5) Fair Value Measurements

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

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial Liabilities				
Carlyle warrants	$ -	$ -	$ 9,515	$ 9,515
Public warrants	167	-	-	167
Private placement warrants	-	122	-	122
Working capital warrants	-	14	-	14
Replacement warrants	–	–	1,310	1,310
Forward purchase agreement liabilities	-	-	3,831	3,831
Total	$ 167	$ 136	$ 14,656	$ 14,959

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Redeemable convertible preferred stock warrant liability	$ —	$ —	$ 14,152	$ 14,152
Total	$ —	$ —	$ 14,152	$ 14,152

Carlyle Warrants

As part of the Company's amended and restated warrant agreement with CRSEF Solis Holdings, LLC ("Carlyle"), dated July 18, 2023, the Company issued 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 is inclusive of the outstanding warrant to purchase 1,995,879 shares at the time of modification. The warrant, which expires on July 18, 2030, provides 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 is ten (10) days after the date of the amended and restated warrant agreement, an additional 350,000 shares; plus (c) on and after the date that is thirty (30) days after the date of the amended and restated warrant agreement, if the original investment amount has not been repaid, an additional 150,000 shares; plus (d) on and after the date that is ninety (90) days after the date of the amended and restated warrant agreement, if the original investment amount has not been repaid, an additional 250,000 shares, in each case, of Complete Solaria Common Stock at a price of $0.01 per share. As the warrant is exercisable into a variable number of shares based on the Company's fully diluted capitalization table, the Company has classified the warrants as liabilities. The Company valued the warrants based on a Black-Scholes Option Pricing Method, which included the following inputs:

	December 31,	
	2023	2022
Expected term	7.0 years	—
Expected volatility	77.0%	—
Risk-free interest rate	3.92%	—
Expected dividend yield	0.0%	—

Public, Private Placement and Working Capital Warrants

The public, private placement and working capital 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. The private placement and working capital warrants were valued using observable inputs for similar publicly traded instruments.

Forward Purchase Agreement Liabilities

The FPA liabilities 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:

	December 31,	
	2023	2022
Common stock trading price	$ 1.66	$ —
Simulation period	1.55 years	—
Risk-free rate	4.48 %	—
Volatility	95.0 %	—

Redeemable Convertible Preferred Stock Warrant Liabilities

The Company historically issued redeemable convertible warrants, which were classified as liabilities and adjusted to fair value using the Black Scholes Option Pricing Method. The terms of the redeemable convertible preferred stock warrants are described in Note 14 – Warrants.

Series B Redeemable Convertible Preferred Stock Warrant

	December 31,	
	2023	2022
Expected term	—	3.1 years
Expected volatility	—	72.5 %
Risk-free interest rate	—	4.2 %
Expected dividend yield	—	0.0 %

Series C Redeemable Convertible Preferred Stock Warrant

	December 31,	
	2023	2022
Expected term	—	3.6 years
Expected volatility	—	72.5 %
Risk-free interest rate	—	4.0 %
Expected dividend yield	—	0.0 %

Series D-7 Redeemable Convertible Preferred Stock Warrant

	December 31,	
	2023	2022
Expected term	0.3 years	1.5 years
Expected volatility	78.5%	78.5%
Risk-free interest rate	5.4%	4.7%
Expected dividend yield	0.0%	0.0%

The redeemable convertible preferred stock warrant liabilities were measured at fair value at the issuance date and as of each subsequent reporting period with changes in the fair value recorded within other income (expense), net in the accompanying consolidated statements of operations and comprehensive loss.

(6) Forward Purchase Agreements

In July 2023, FACT and Legacy Complete Solaria, Inc. entered into FPAs with each of (i) Meteora; (ii) Polar, and (iii) Sandia (each individually, a "Seller", and together, the "FPA Sellers").

Pursuant to the terms of the FPAs, the FPA Sellers may (i) 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 FPA 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.

The Company 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, the Company incurred an obligation to issue a fixed number of shares to the FPA Sellers contingent upon the closing of the IPO, Mergers in addition to the terms and conditions associated with the settlement of the FPAs. The Company accounted for the contingent obligation to issue shares in accordance with ASC 815, *Derivatives and Hedging*, and recorded a liability and other income (expense), net based on the fair value upon of the obligation upon the signing of the FPAs. The liability was extinguished in July 2023 upon the issuance of Complete Solaria Common Stock to the FPA sellers.

Additionally, in accordance with ASC 480, *Distinguishing Liabilities from Equity*, the Company has determined that the forward contract is a financial instrument other than a share that represent or are indexed to obligations to repurchase the issuer's equity shares by transferring assets, referred to herein as the "forward purchase liability" on its consolidated balance sheets. The Company initially measured the forward purchase liability at fair value and has subsequently remeasured it at fair value with changes in fair value recognized in earnings.

Through the remeasurement date of issuance of the Complete Solaria Common Stock in satisfaction of the Company's obligation to issue shares around the closing of the Mergers, the Company recorded $35.5 million to other income (expense), net associated with the issuance of 6,720,000 shares of Complete Solaria Common Stock in association with the FPAs.

As of the closing of the Mergers and issuance of the Complete Solaria Common Stock underlying the FPAs, the fair value of the prepaid FPAs was an asset balance of $0.1 million and was recorded on the Company's consolidated balance sheets and within other income (expense), net on the consolidated statements of operations and comprehensive loss. Subsequently, the change of fair value of the forward purchase liability amounted to an expense of $3.9 million for the fiscal year ended December 31, 2023. As of December 31, 2023, the forward purchase liabilities amounted to $3.8 million.

On December 18, 2023, the Company and the FPA Sellers entered into separate amendments to the FPA (the "Amendments"). The Amendments lower the reset floor price of each FPA from initial book value $5.00 to redemption amount value. The change $3.00 and allow the Company to raise up to $10.0 million of equity from existing stockholders without triggering certain anti-dilution provisions contained in the carrying 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.

(7) Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	As of December 31,	
	2023	2022
Inventory deposits	$ 616	$ 6,255
Prepaid sales commissions	4,185	2,838
Other	1,016	978
Total prepaid expenses and other current assets	$ 5,817	$ 10,071

(8) Divestiture

Discontinued operations

As previously described in Note 1 – Organization, on August 18, 2023, the Company entered into a Non-Binding Letter of Intent to sell certain of Complete Solaria's North American solar panel assets, inclusive of intellectual property and customer contracts, to Maxeon. In October 2023, the Company completed the sale of its solar panel business to Maxeon, pursuant to the terms of the Asset Purchase Agreement Disposal Agreement. Under the terms of the Disposal Agreement, Maxeon agreed to acquire certain assets and employees of Complete Solaria. The Company determined that this divestiture represented a strategic shift in the Company's business and qualified as a discontinued operation. Accordingly, the results of operations and cash flows relating to Solaria have been reflected as discontinued operations in the consolidated statements of operations and comprehensive loss for the fiscal year ended December 31, 2023 and the consolidated statements of cash flows for the fiscal year ended December 31, 2023.

Components of amounts reflected in the consolidated statements of operations and comprehensive loss related to discontinued operations are presented in the table, as follows (in thousands):

	Fiscal year ended December 31, 2023
Revenues	$ 29,048
Cost of revenues	30,609
Gross loss	(1,561)
Operating expenses:	
Sales and marketing	6,855
General and administrative	17,472
Total operating expenses	24,327
Loss from discontinued operations	(25,888)
Other income, net	31
Loss from discontinued operations before income taxes	(25,857)
Income tax benefit	4
Loss from discontinued operations, net of tax	(25,853)
Impairment loss from discontinued operations	(147,505)
Net loss from discontinued operations	$ (173,358)

(9) Property and Equipment, Net

Property and equipment, net consist of the following (in thousands, except year data):

	Estimated Useful Lives (Years)	As of December 31, 2023	As of December 31, 2022
Developed software	5	$ 6,993	$ 5,054
Manufacturing equipment	3	131	102
Furniture and equipment	3	96	90
Leasehold improvements	5	708	708
Total property and equipment		7,928	5,954
Less: accumulated depreciation and amortization		(3,611)	(2,478)
Total property and equipment, net		$ 4,317	$ 3,476

Depreciation and amortization expense on tangible assets totaled $0.9 million and $0.6 million for the fiscal years ended December 31, 2023 and 2022. There were no impairment charges on tangible assets recognized for the fiscal years ended December 31, 2023 and 2022.

(10) Accrued Expenses and Other Current Liabilities

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

	As of December 31, 2023	As of December 31, 2022
Accrued compensation and benefits	$ 3,969	$ 3,940
Customer deposits	544	930
Uninvoiced contract costs	671	1,914
Inventory received but not invoiced	–	972
Accrued term loan and revolving loan amendment and final payment fees	2,400	2,400
Accrued legal settlements	7,700	1,853
Accrued taxes	931	1,245
Accrued rebates and credits	677	1,076
Operating lease liabilities, current	607	958
Accrued warranty, current	1,433	767
Other accrued liabilities	8,938	3,775
Total accrued expenses and other current liabilities	$ 27,870	$ 19,830

(11) Employee Benefit Plan

The Company sponsors a 401(k) defined contribution and profit-sharing plan ("401(k) Plan") for its eligible employees. This 401(k) Plan provides for tax-deferred salary deductions for all eligible employees. Employee contributions are voluntary. Employees may contribute the maximum amount allowed by law, as limited by the annual maximum amount as determined by the Internal Revenue Service. The Company may match employee contributions in amounts to be determined at the Company's sole discretion. The Company made no contributions to the 401(k) Plan for the fiscal years ended December 31, 2023 and 2022.

(12) Other Expense, Net

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

	Fiscal Years Ended December 31,	
	2023	**2022**
Change in fair value of redeemable convertible preferred stock warrant liability	$ 8,513	$ –
Change in fair value of Carlyle warrants	14,373	–
Change in fair value of warrant liabilities	–	(5,211)
Change in fair value of FACT public, private placement and working capital warrants	6,424	–
Gain on extinguishment of convertible notes and SAFE agreements[1]	–	3,235
Loss on sale of equity securities	(4,154)	–
Loss on CS Solis debt extinguishment	(10,338)	–
Bonus shares issued in connection with the Mergers[2]	(2,394)	–
Issuance of forward purchase agreements[3]	76	–
Change in fair value of forward purchase agreement liabilities[4]	(3,906)	–
Loss on issuance of shares in connection with the forward purchase agreements[5]	(35,490)	–
Loss on discontinued Solaria business and other, net	(2,966)	118
Total other expense, net	$ (29,862)	$ (1,858)

(1) Includes zero and $1.4 million of other income for the fiscal years ended December 31, 2023 and 2022, respectively, recognized upon the conversion of related party convertible notes and SAFEs.

(2) Includes $0.7 million of other expense for the fiscal year ended December 31, 2023 for bonus shares issued to related parties in connection with the Mergers.

(3) Includes $0.4 million of other income for the fiscal year ended December 31, 2023 for forward purchase agreements entered into with related parties.

(4) Includes $9.1 million of other expense for the fiscal year ended December 31, 2023 for forward purchase agreements entered into with related parties.

(5) Includes $30.7 million of other expense the fiscal year ended December 31, 2023 for shares issued to related parties in connection with the forward purchase agreements.

(13) Common 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 December 31, 2023. No preferred stock has been issued.

Common Stock Purchase Agreements

On December 18, 2023, the Company entered into separate common stock purchase agreements (the "Purchase Agreements") with the Rodgers Massey Freedom and Free Markets Charitable Trust and the Rodgers Massey Revocable Living Trust (each a "Purchaser", and together, the "Purchasers"). Pursuant to the terms of the Purchase Agreements, each Purchaser purchased 1,838,235 shares of common stock of the Company, par value $0.0001, (the "Shares"), at a price per share of $1.36, representing an aggregate purchase price of $4,999,999.20. The Purchasers paid for the Shares in cash. Thurman J. Rodgers is a trustee of each Purchaser and is the Executive Chairman of the board of directors of the Company.

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

	As of December 31, 2023
Common stock warrants	27,637,266
Employee stock purchase plan	2,628,996
Stock options and RSUs, issued and outstanding	11,774,743
Stock options and RSUs, authorized for future issuance	3,850,462
Total shares reserved	45,891,467

(14) Warrants

Series B Warrants (Converted to Common Stock Warrants)

In February 2016, the Company issued a warrant to purchase 5,054 shares of Series B preferred stock (the "Series B warrant") in connection with a 2016 credit facility. The Series B warrant is immediately exercisable at an exercise price of $4.30 per share and has an expiration date of February 2026. The fair value of the Series B warrant was less than $0.1 million as of December 31, 2022 and as of July 18, 2023, when the Series B warrant was reclassified from warrant liability to additional paid-in capital, as the warrant is exercisable into shares of Complete Solaria Common Stock upon the close of the Mergers. The relative fair value of the Series B warrant at issuance was recorded as a debt issuance cost within other non-current liabilities on the accompanying consolidated balance sheets, and changes in fair value have been recorded in other income (expense), net on the accompanying consolidated statements of operations and comprehensive loss for the fiscal years ended December 31, 2023 and 2022.

Series C Warrants (Converted to Common Stock Warrants)

In July 2016, the Company issued a warrant to purchase 148,477 shares of Series C preferred stock (the "Series C warrant") in connection with the Series C financing. The Series C warrant agreement also provided for an additional number of Series C shares calculated on a monthly basis commencing on June 2016 based on the principal balance outstanding of the notes payable outstanding. The maximum number of shares exercisable under the Series C warrant agreement is 482,969 shares of Series C preferred stock. The Series C warrant was immediately exercisable at an exercise price of $1.00 per share and has an expiration date of July 2026. The fair value of the Series C warrant was $6.3 million as of December 31, 2022. The fair value of the Series C warrant was $2.3 million as of July 18, 2023, when the Series B warrant was reclassified from redeemable ordinary convertible preferred stock warrant liability to additional paid-in capital, as the warrant is exercisable into shares resulted of Complete Solaria Common Stock upon the close of the Mergers. The relative fair value of the Series C warrant at issuance was recorded as Series C preferred stock issuance costs and redeemable convertible preferred stock warrant liability on the accompanying consolidated balance sheets, and changes in charges against fair value have been recorded in other income (expense), net on the accompanying consolidated statements of operations and comprehensive loss for the fiscal years ended December 31, 2023 and 2022.

Series C-1 Warrants (Converted to Common Stock Warrants)

In January 2020, the Company issued a warrant to purchase 173,067 shares of common stock in conjunction with the Series C-1 preferred stock financing. The warrant is immediately exercisable at an exercise price of $0.01 per share and has an expiration date of January 2030. The warrant remains outstanding as of December 31, 2023. At issuance, the relative fair value of the warrant was determined to be $0.1 million using the Black-Scholes model with the following weighted average assumptions: expected term of 10 years; expected volatility of 62.5%; risk-free interest rate of 1.5%; and no dividend yield. The fair value of the warrant was recorded within additional paid-in capital on the consolidated balance sheets. The warrant is not remeasured in future periods as it meets the conditions for equity classification.

Carlyle Warrants

In February 2022, as part of a debt financing from Carlyle (refer to Note 15 – Borrowing Arrangements), the Company issued a warrant to purchase 2,886,952 shares of common stock in conjunction with the redeemable investment in CS Solis. The warrant contained two tranches, the first of which is immediately exercisable for 1,995,879 shares. The second tranche, which was determined to be a separate unit of account, was exercisable upon a subsequent investment from Carlyle in CS Solis. No subsequent investment was made and the investment period expired on December 31, 2022 and the second tranche of warrants expired prior to becoming exercisable. The vested warrant had an exercise price of $0.01 per share and had an expiration date of February 2029.

At issuance, the relative fair value of the warrant was determined to be $3.4 million using the Black-Scholes model with the following weighted average assumptions: expected term of 7 years; expected volatility of 73.0%; risk-free interest rate of 1.9%; and no dividend yield. The fair value of the warrant was recorded within additional paid-in capital and accumulated deficit.

As of December 31, 2022 and 2021, as a discount on the ordinary share reflected long-term debt in CS Solis on the consolidated balance sheets are reconciled as of December 31, 2022.

In July 2023, and in connection with the closing of the Mergers, the Carlyle debt and warrants were modified. 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. As part of the modification, the warrant, which expires on July 18, 2030, provides 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 is ten (10) days after the date of the agreement, an additional 350,000 shares; plus (c) on and after the date that is thirty (30) days after the date of the agreement, if the original investment amount has not been repaid, an additional 150,000 shares; plus (d) on and after the date that is ninety (90) days after the date of the agreement, if the original investment amount has not been repaid, an additional 250,000 shares, in each case, of Complete Solaria Common Stock at a price of $0.01 per share. Of the additional warrants that become exercisable after the modification, the tranches of 350,000 warrants vesting ten days after the date of the agreement and 150,000 warrants vesting thirty days after the date of the agreement are exercisable as of December 31, 2023.

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*. The Company recorded the fair value of the modified warrants as a warrant liability of $20.4 million, the pre-modification fair value of the warrants as a reduction to additional paid-in capital of $10.9 million and an expense of $9.5 million to other income (expense), net equal to the incremental value of the warrants upon the modification. The fair value of the warrant was determined based on its intrinsic value, given a nominal exercise price. At issuance, the relative fair value of the warrant was determined to be $20.4 million using the Black-Scholes model with the following table: weighted average assumptions: expected term of 7 years; expected volatility of 77.0%; risk-free interest rate of 3.9%; and no dividend yield. As of December 31, 2023, the fair value of the warrant was $6.0 million, and the Company recorded an expense of $14.4 million as other income (expense), net on the consolidated statements of operations and comprehensive loss.

Series D-7 Warrants (Converted to Common Stock Warrants)

In November 2022, the Company issued warrants to purchase 656,630 shares of Series D-7 preferred stock (the "Series D-7 warrants") in conjunction with the Business Combination. The warrant contains two tranches. The first tranche of 518,752 shares of Series D-7 preferred stock is exercisable at an exercise price of $2.50 per share upon consummation of a merger transaction, or at an exercise price of $2.04 per share upon remaining private and has an expiration date of April 2024. The second tranche of 137,878 shares of Series D-7 preferred stock is exercisable at an exercise price of $5.00 per share upon consummation of a merger transaction, or at an exercise price of $4.09 per share upon remaining private and has an expiration date of April 2024. The fair value of the Series D-7 warrants was $7.8 million as of December 31, 2022 and $2.4 million as of July 18, 2023 when the warrants were reclassified from redeemable convertible preferred stock warrant liability to additional paid-in capital, as the exercise price of the warrants is fixed at $2.50 per share of Complete Solaria Common Stock for the first tranche and $5.00 per share of Complete Solaria Common Stock for the second tranche upon the closing of the Mergers.

In October 2023, the Company entered into an Assignment and Acceptance Agreement ("Assignment Agreement"), (refer to Note 15 – Borrowing Arrangements). In connection with the Assignment Agreement, the Company also entered into the First Amendment to Warrant to Purchase Stock Agreements with the holders of the Series D-7 warrants. Pursuant to the terms of the agreement, the warrants to purchase 1,376,414 shares of Series D-7 preferred stock converted into warrants to purchase 656,630 shares of common stock (the "replacement warrants"). As a result of the warrant amendment, the Company reclassified the replacement warrants from equity to liability. The replacement warrants were remeasured to the fair value on the amendment effective date and the Company will record subsequent changes in fair value in other income (expense), net on its condensed consolidated statements of operations and comprehensive loss. The Series D-7 Warrants remain outstanding as of December 31, 2023.

November 2022 Common Stock Warrants

In November 2022, the Company issued a warrant to a third-party service provider to purchase 78,962 shares of common stock in conjunction with the Business Combination. The warrant was immediately exercisable at an exercise price of $8.00 per share and had an expiration date of April 2024. In May 2023, the Company amended the warrant, modifying the shares of common stock to be purchased to 31,680, the exercise price to $0.01, and the expiration date to the earlier of October 2026 or the closing of an IPO. The impact of the modification was not material to the consolidated financial statements. At issuance and upon the modification, the relative fair value of the warrant was determined to be $0.1 million using the Black-Scholes model with the following weighted average assumptions: expected term of 1.5 years; expected volatility of 78.5%; risk-free interest rate of 4.7%; and no dividend yield. The fair value of the warrant was recorded within additional paid-in capital on the consolidated balance sheets. The warrant is not remeasured in future periods as it meets the conditions for equity classification. Upon the Closing of the Mergers, the warrant was net exercised into 31,680 shares of Complete Solaria Common Stock.

July 2023 Common Stock Warrants

In July 2023, the Company issued a warrant to a third-party service provider to purchase 38,981 shares of common stock in exchange for services provided in obtaining financing at the Closing of the Mergers. The warrant is immediately exercisable at a price of $0.01 per share and has an expiration date of July 2028. At issuance, the fair value of the warrant was determined to be $0.2 million, based on the intrinsic value of the warrant and the $0.01 per share exercise price. As the warrant is accounted for as an equity issuance cost, the warrant is recorded only within additional paid-in capital on the consolidated balance sheets. The warrant is not remeasured in future periods as it meets the conditions for equity classification.

Gross proceeds from IPO	$ 345,000,000
Less:	
Proceeds allocated to Public Warrants	(10,350,000)
Ordinary share issuance costs	(18,600,644)
Plus:	
Accretion of carrying value to redemption value	28,950,644
Contingently redeemable ordinary share as of December 31, 2021	345,000,000
Plus:	
Accretion of carrying value to redemption value	4,927,313
Contingently redeemable ordinary share as of December 31, 2022	$ 349,927,313

Warrant Consideration

In July 2023, in connection with the Mergers, the Company issued 6,266,572 warrants to purchase Complete Solaria Common Stock to holders of Legacy Complete Solaria Redeemable Convertible Preferred Stock, Legacy Complete Solaria Common Stock. The exercise price of the common stock warrants is $11.50 per share and the warrants expire 10 years from the date of the Mergers. The warrant consideration was issued as part of the close of the Mergers and was recorded within additional paid-in capital, net of the issuance costs of the Mergers. As of December 31, 2023, all warrants issued as warrant consideration remain outstanding.

Public, Private Placement, and Working Capital Warrants

In conjunction with the Mergers, Complete Solaria, as accounting acquirer, was deemed to assume 6,266,667 warrants to purchase FACT Class A Ordinary Shares that were held by the sponsor at an exercise price of $11.50 (“Private Placement Warrants”) and 8,625,000 warrants to purchase FACT’s shareholders FACT Class A Ordinary Shares at an exercise price of $11.50 (“Public Warrants”). Subsequent to the Mergers, the Private Placement Warrants and Public Warrants are exercisable for shares of Complete Solaria Common Stock and meet liability classification requirements since the warrants may be required to be settled in cash under a tender offer. In addition, Private Placement Warrants are potentially subject to a different settlement amount as a result of being held by the Sponsor which precludes the Private Placement Warrants from being considered indexed to the entity’s own stock. Therefore, these warrants are classified as liabilities on the consolidated balance sheets.

The Company determined the Public and Private warrants to be classified as a liability and fair valued the warrants on the issuance date using the publicly available price for the warrants of $6.7 million. The fair value of these warrants was $0.3 million as of December 31, 2023, and the Company recorded the change in fair value of $6.4 million in other income (expense), net in the consolidated statements of operations and comprehensive loss for the fiscal year ended December 31, 2023.

Additionally, at the closing of the Mergers, the Company issued 716,668 Working Capital warrants, which have identical terms as the Private Placement Warrants to the sponsor in satisfaction of certain liabilities of FACT. The warrants were fair valued at $0.3 million upon the closing of the Mergers, which was recorded in warrant liability on the consolidated balance sheets. As of December 31, 2023, the Working Capital warrants had a fair value of $0.01 million, and the Company recorded the change in fair value of $0.1 million as other income (expense), net on the consolidated statements of operations and comprehensive loss.

(15) Borrowing Arrangements

Note 5 — Private Placement Warrants

Notes payable, net, Convertible notes, net and convertible notes, net, due to related parties

Simultaneously with As of December 31, 2023 and 2022, the closing Company's notes payable and convertible notes consisted of the IPO, the Sponsor purchased an aggregate of 6,266,667 Private Placement Warrants at a price of $1.50 per warrant ($9,400,000 in the aggregate), each Private Placement Warrant is exercisable to purchase one share of Class A ordinary shares at a price of $11.50 per share. A portion of the purchase price of the Private Placement Warrants was added to the proceeds from our Initial Public Offering to be held in the Trust Account. following (in thousands):

	As of December 31,	
	2023	2022
2018 Bridge Notes	$ 11,031	$ 9,780
Revolver Loan	5,168	5,000
Secured Credit Facility	12,158	5,623
Polar Settlement Agreement	300	—
Total Notes payable	28,657	20,403
Debt in CS Solis	33,280	25,204
2022 Convertible Notes	—	3,434
2022 Convertible Notes due to related parties	—	15,510
Total notes payable and convertible notes, net	61,937	64,551
Less current portion	(61,937)	(20,403)
Notes payable and convertible notes, net of current portion	$ —	$ 44,148

Notes Payable

2018 Bridge Notes

In December 2018, Solaria Corporation issued senior subordinated convertible secured notes ("2018 Notes") totaling approximately $3.4 million in exchange for cash. The Private Placement Warrants notes bear interest at the rate of 8% per annum and the investors are identical to the warrants sold in the IPO except that the Private Placement Warrants, so long as they are held by the Sponsor or its permitted transferees, (i) will not be redeemable by the Company, (ii) may not (including the Class A ordinary shares issuable upon exercise of these warrants), subject to certain limited exceptions, be transferred, assigned or sold by the holders until 30 days after the completion of the initial Business Combination, (iii) may be exercised by the holders on a cashless basis and (iv) will be entitled to registration rights.

Note 6 — Related Party Transactions

Founder Shares

On December 31, 2020, receive twice the Sponsor paid $25,000, or approximately $0.003 per share, to cover certain offering costs in consideration for 7,187,500 Class B ordinary shares, par value $0.0001 per share (the "Founder Shares"). On February 25, 2021, the Company effected a share dividend whereby the Company issued 1,437,500 Class B ordinary shares, resulting in an aggregate of 8,625,000 Class B ordinary shares outstanding. All share and per-share amounts have been retroactively restated to reflect the share dividend.

The Company's initial shareholders have agreed not to transfer, assign or sell any of their Founder Shares and any Class A ordinary shares issuable upon conversion thereof until the earlier to occur of: (i) one year after the completion of the initial Business Combination or (ii) the date on which the Company completes a liquidation, merger, share exchange or other similar transaction after the initial Business Combination that results in all of its shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property; except to certain permitted transferees and under certain circumstances (the "Lock-up"). Any permitted transferees will be subject to the same restrictions and other agreements of the initial shareholders with respect to any Founder Shares. Notwithstanding the foregoing, if (1) the closing price of the Company's Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after the initial Business Combination or (2) if the Company consummates a transaction after the initial Business Combination which results in its shareholders having the right to exchange their shares for cash, securities or other property, the Founder Shares will be released from the Lock-up.

On May 16, 2022, the Sponsor transferred 25,000 shares to one of the Company's directors following the departure of a previous director. The transfer of the Founders Shares is in the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date.

The transfer of Founders Shares to the Company's director, as described above, is within the scope of ASC 718, as such, the fair face value of the 25,000 2018 Notes at maturity. The 2018 Notes are secured by substantially all of the assets of Solaria Corporation. In 2021, the 2018 Notes were amended extending the maturity date to December 13, 2022. In connection with the 2021 amendment, Solaria had issued warrants to purchase shares transferred of Series E-1 redeemable convertible preferred stock of Solaria. The warrants were exercisable immediately in whole or in part at and expire on December 13, 2031. As part of the Business Combination with Complete Solar, all the outstanding warrants issued to the Company's director was $123,750 or $4.95 lenders were assumed by the parent company, Complete Solaria as discussed in Note 4 – Business Combination.

In December 2022, the Company entered into an amendment to the 2018 Bridge Notes extending the maturity date from December 13, 2022 to December 13, 2023, and the 2018 Notes remain outstanding as of December 31, 2023. In connection with the amendment, the 2018 Notes will continue to bear interest at 8% per share. The transfer annum and are entitled to an increased repayment premium from 110% to 120% of the shares principal and accrued interest at the time of repayment.

The Company concluded that the modification was granted subject a troubled debt restructuring as the Company was experiencing financial difficulty and the amended terms resulted in a concession to a performance condition (i.e. the Company. As the future undiscounted cash payments under the modified terms exceeded the carrying amount of the Solaria Bridge Notes on the date of modification, the modification was accounted for prospectively. The incremental repayment premium is being amortized to interest expense using the effective interest rate method. As of December 31, 2023 and December 31, 2022, the occurrence carrying value of the Bridge Notes was $11.0 million and $9.8 million, respectively. Interest expense recognized for fiscal years ended December 31, 2023 and 2022 was $1.2 million and $0.7 million, respectively. As of December 31, 2023, the carrying value of the 2018 Notes approximates their fair value.

Revolver Loan

In October 2020, Solaria entered into a Business Combination) loan agreement ("SCI Loan Agreement") with Structural Capital Investments III, LP ("SCI").

The SCI Loan Agreement is comprised of two facilities, a term loan (the "Term Loan") and a revolving loan (the "Revolving Loan") (together "Original Agreement") for $5.0 million each with a maturity date of October 31, 2023. Compensation expense related Both the Term Loan and the Revolving Loan were fully drawn upon closing. The Term Loan was repaid prior to the Founders Shares is recognized only when acquisition of Solaria by Complete Solar and was not included in the performance condition is probable of occurrence under the applicable accounting literature in this circumstance. Stock-based compensation would be recognized at the date a Business Combination is considered probable in an amount equal to the number of Founders Shares times the transfer date fair value per share (unless subsequently modified). Founder Shares will automatically convert into Class A shares at a one-to-one ratio upon completion of a Business Combination. The Founder Shares will receive no distributions if the Company is liquidated prior to a Business Combination. In addition, the holders of the Founder Shares are restricted from transferring the Founder Shares and the Class A shares received upon conversion until nine months to a year after a Business Combination.

Promissory The Revolving Loan has a term of thirty-six months, with the principal due at the end of the term and an annual interest rate of 7.75% or Prime rate plus 4.5%, whichever is higher. The SCI Loan Agreement requires the Company to meet certain financial covenants relating to the maintenance of specified restricted cash balance, achieve specified revenue targets and maintain specified contribution margins ("Financial Covenants") over the term of the Revolving Loan. The Revolving Loan is collateralized by substantially all assets and property of the Company.

In the years ended December 31, 2022 and December 31, 2021, Solaria entered into several Amended and Restated Loan and Security Agreements with SCI to forbear SCI from exercising any rights and remedies available to it as a result of the Company not meeting certain Financial Covenants required by the Original Agreement. As a result of these amendments changes were made to the Financial Covenants, and Solaria recorded a total of $1.9 million amendment fees in Other Liabilities and this liability was included in the acquired liabilities for purchase price accounting.

Solaria had historically issued warrants to purchase shares of Series E-1 redeemable convertible preferred stock of Solaria ("SCI Series E-1 warrants"). The warrants were fully exercisable in whole or in part at any time during the term of the Original agreement. As part of the Business Combination with Complete Solar, all the outstanding SCI Series E-1 warrants were assumed by the parent company, Complete Solaria as discussed in Note — 4 – Business Combination.

The Revolving Loan outstanding on the date of the Business Combination was fair valued at $5.0 million for the purpose of purchase price accounting discussed in Note 4 – Business Combination. The Revolving Loan principal balance at December 31, 2023 and December 31, 2022 amounted to $5.1 million and $5.0 million, respectively. Interest expense recognized for the fiscal year ended December 31, 2023 was $0.6 million. The Company was in compliance with all the Financial Covenants as of December 31, 2023.

In October 2023, the Company entered into an Assignment Agreement whereby Structural Capital Investments III, LP assigned the SCI debt to Kline Hill Partners Fund LP, Kline Hill Partners IV SPV LLC, Kline Hill Partners Opportunity IV SPV LLC, and Rodgers Massey Revocable Living Trust for a total purchase price of $5.0 million. The Company has identified this as a related party transaction, as discussed in Note 21 – Related Party Transactions. The SCI Revolving Loan continued to remain outstanding as of December 31, 2023 and is currently being renegotiated.

Secured Credit Facility

In December 2022, the Company entered into a secured credit facility agreement with Kline Hill Partners IV SPV LLC and Kline Hill Partners Opportunity IV SPV LLC. The secured credit facility agreement allows the Company to borrow up to 70% of the net amount of its eligible vendor purchase orders with a maximum amount of $10.0 million at any point in time. The purchase orders are backed by relevant customer sales orders which serves as collateral. The amounts drawn under the secured credit facility may be reborrowed provided that the aggregate borrowing does not exceed $20.0 million. The repayment under the secured credit facility is the borrowed amount multiplied by 1.15x if repaid within 75 days and borrowed amount multiplied by 1.175x if repaid after 75 days. The Company may prepay any borrowed amount without premium or penalty. Under the original terms, the secured credit facility agreement was due to mature in April 2023. The Company is in the process of amending the secured credit facility agreement to extend its maturity date.

At December 31, 2023, the balance outstanding was $12.2 million, including accrued financing cost of $4.5 million, and as of December 31, 2022, the balance outstanding was $5.6 million, including accrued financing cost of $0.1 million. The Company recognized interest expense of $3.5 million and $0.1 million related to the Secured Credit Facility during the fiscal years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, the total estimated fair value of the Secured Credit Facility approximates its carrying value.

On December 30, 2020

Polar Settlement Agreement

In September 2023, in connection with the Mergers, the Company entered into a settlement and release agreement with Polar Multi-Strategy Master Fund ("Polar") for the settlement of a working capital loan that had been made by Polar to the Sponsor, prior to the closing of the Mergers. The settlement agreement requires the Company to pay Polar $0.5 million in ten equal monthly installments and does not accrue interest. During the fiscal year ended December 31, 2023, the Sponsor agreed to loan Company paid $0.2 million, and as of December 31, 2023, $0.3 million remains outstanding.

Debt in CS Solis

As described above, as part of the reorganization of the Company in February 2022, the Company received an investment from 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 are 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 accrue interest that is payable upon redemption at a rate of 10.5% (which is 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 declares any dividends. In connection with the investment, the Company issued a warrant to purchase 5,978,960 shares of the Company's common stock at a price of $0.01 per share, of which, 4,132,513 shares are immediately exercisable. The Company has accounted for the mandatorily redeemable investment from Carlyle in accordance with ASC 480, Distinguishing Liabilities from Equity, and has recorded the investment as a liability, which was accreted to its redemption value under the effective interest method. The Company has recorded the warrants as a discount to the liability. Refer to Note 13 – Common Stock, for further discussion of the warrants issued in connection with the Class B Membership Units.

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.

The Carlyle Debt Modification Agreement accelerates the redemption date of the investment, which was previously February 14, 2025 and is 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 will increase to 1.4 times the original investment at March 31, 2024. Additionally, as part of the amendment, the parties entered into an amended and restated warrant agreement. As part of the Carlyle Warrant Amendment, Complete Solaria issued Carlyle a warrant to purchase up to $300,000 2,745,879 shares of Complete Solaria Common Stock at a price per share of $0.01, which is inclusive of the outstanding warrant to cover expenses purchase 1,995,879 shares at the time of modification. The warrant, which expires on July 18, 2030, provides 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 is ten (10) days after the date of the agreement, an additional 350,000 shares; plus (c) on and after the date that is thirty (30) days after the date of the agreement, if the original investment amount has not been repaid, an additional 150,000 shares; plus (d) on and after the date that is ninety (90) days after the date of the agreement, if the original investment amount has 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 warrants are classified as liabilities under ASC 815 and are recorded within warrant liability on the consolidated statements of operations and comprehensive loss.

The Company accounted for the modification of the long-term debt due CS Solis as a debt extinguishment in accordance with ASC 480 and ASC 470. As a result of the extinguishment, the Company recorded a loss on extinguishment, of $10.3 million, which is recorded within other expense on the consolidated statements of operations and comprehensive loss. As of the modification date, the Company recorded the fair value of the new debt of $28.4 million as short-term debt in CS Solis, and the amount will have a redemption value of $35.8 million under the amended agreement.

The Company has recorded a liability of $33.3 million and zero included in short-term debt due CS Solis on the consolidated balance sheets as of December 31, 2023 and 2022, respectively. The Company recorded a liability of zero and $25.2 million included in long-term debt due CS Solis on the consolidated balance sheets as of December 31, 2023 and 2022, respectively. The Company has recorded accretion of the liability as interest expense of $7.2 million for the fiscal year ended December 31, 2023, and made payments of interest expense of $0.6 million during the fiscal year ended December 31, 2023. The Company has recorded accretion of the liability as interest expense of $2.4 million for the fiscal year ended December 31, 2022. Prior to the modification, during the fiscal years ended December 31, 2023 and 2022 the Company recorded amortization of issuance costs as interest expense of $0.7 million and $1.2 million, respectively. As of December 31, 2023, the total estimated fair value of the Company's debt with CS Solis was $33.3 million, which was estimated based on Level 3 inputs.

2022 Convertible Notes

In connection with the Original Business Combination Agreement, the Company raised a series of convertible notes ("2022 Convertible Notes") during the fiscal year ended December 31, 2022 with an aggregate purchase price of $12.0 million, and during the fiscal year ended December 31, 2023 for an additional total purchase price of $21.3 million. Additionally, as part of the acquisition of Solaria, the Company assumed a note from an existing investor for its fair value of $6.7 million. The note contained the same terms as the other 2022 Convertible Notes. The Company did not incur significant issuance costs associated with the 2022 Convertible Notes. The 2022 Convertible Notes accrued interest at a rate of 5% per annum. Immediately prior to the closing of the Mergers, the 2022 Convertible Notes were converted into the number of shares of common stock of Complete Solaria equal to (x) the principal amount together with all accrued interest of the 2022 Convertible Notes divided by 0.75, divided by (y) the price of a share of common stock of Complete Solaria used to determine the conversion ratio in the Amended and Restated Business Combination Agreement. This resulted in the issuance of 5,316,460 shares of Complete Solaria common stock to the noteholders and no debt remains outstanding associated with the 2022 Convertible Notes as of December 31, 2023.

The Company recognized interest expense of $0.7 million related to the IPO 2022 Convertible Notes during the fiscal year ended December 31, 2023. The Company did not recognize any interest expense related to the 2022 Convertible Notes during the fiscal year ended December 31, 2022.

2019-A Convertible Notes

In 2019, the Company issued a series of convertible notes ("2019-A Convertible Notes") for $0.1 million in proceeds, with immaterial debt issuance costs, and which were due and payable on demand by the holders after August 2020. The notes carried simple interest of 6.0% and contained a conversion feature whereby the notes would convert at 80% of the issuance price of the preferred shares in the next equity financing. The notes also contained other embedded features such as conversion options that were exercisable upon the occurrence of various contingencies. All of the embedded features were analyzed to determine whether they should be bifurcated and separately accounted for as a derivative. Pursuant to such analysis, the Company valued and bifurcated the share-settled redemption feature, which enabled the holders to convert the notes to the preferred shares at a predefined discount from the issuance price and recorded its initial fair value of less than $0.1 million as a discount on the convertible notes face amount. The debt discount was amortized to interest expense at a weighted-average effective interest rate of 17.6% through the maturity dates of the notes.

The fair value of the share-settled redemption feature was estimated based on a probability-weighted analysis of the discounted value of the notes converting under a Next Equity Financing, a change in control, default, or maturity, and the changes in fair value were recognized as a component of other income (expense), net in the accompanying consolidated statements of operations and comprehensive loss. The Company recorded zero expense during the fiscal years ended December 31, 2023 and 2022, related to the change in the fair value of the convertible notes embedded derivative liability. The convertible notes were carried within the accompanying consolidated balance sheets at their original issuance value, net of unamortized debt discount and issuance costs. In March 2022, as part of the Company's Series D Preferred Stock issuance, the 2019-A Convertible Notes converted into 62,500 shares of Series D-2 redeemable convertible preferred stock. The Company recognized a gain on the conversion of less than $0.1 million in other income (expense), net on the consolidated statements of operations and comprehensive loss. As the full carrying value of the note was converted to Series D Preferred Stock, the balance remaining for the note at December 31, 2022 and thereafter remained zero.

The Company did not recognize any interest expense related to the 2019-A Convertible Notes during the fiscal year ended December 31, 2023. Interest expense recognized related to the 2019-A Convertible Notes during the fiscal year ended December 31, 2022 was immaterial.

2020-A Convertible Notes

In 2020, the Company issued a series of convertible notes ("2020-A Convertible Notes") for $3.8 million in proceeds, with immaterial debt issuance costs, and which were due and payable on demand by the holders after April 2021. The notes carried simple interest of 2.0% and contained a conversion feature whereby the notes would convert at 80% of the issuance price of the preferred shares in the next equity financing. The notes also contained other embedded features such as conversion options that were exercisable upon the occurrence of various contingencies. All of the embedded features were analyzed to determine whether they should be bifurcated and separately accounted for as a derivative. Pursuant to such analysis, the Company valued and bifurcated the share-settled redemption feature, which enables the holders to convert the notes to the preferred shares at a predefined discount from the issuance price and recorded its initial fair value of $0.5 million as a discount on the convertible notes face amount. The debt discount was amortized to interest expense at a weighted-average effective interest rate of 25.6% through the maturity dates of the notes.

The fair value of the share-settled redemption feature was estimated based on a probability-weighted analysis of the discounted value of the notes converting under a Next Equity Financing, a change in control, default, or maturity, and the changes in fair value were recognized as a component of other income (expense), net in the accompanying consolidated statements of operations and comprehensive loss. The Company recorded zero in expense during the fiscal year ended December 31, 2023 and 2022, related to the change in the fair value of the convertible notes embedded derivative liability. The convertible notes were carried within the accompanying consolidated balance sheets at their original issuance value, net of unamortized debt discount and issuance costs. In March 2022, as part of the Company's Series D Preferred Stock issuance, the 2020-A Convertible Notes converted into 785,799 shares of Series D-1 redeemable convertible preferred stock. The Company recognized a gain on the conversion of $0.9 million in other income (expense), net on the consolidated statements of operations and comprehensive loss. As the full carrying value of the note was converted to Series D Preferred Stock, the balance remaining for the note at December 31, 2022 and thereafter remained zero.

The Company did not recognize any interest expense related to the 2020-A Convertible Notes during the fiscal year ended December 31, 2023. Interest expense recognized during the fiscal year ended December 31, 2022 was immaterial.

2021 Promissory Notes

In July 2021, the Company issued a short-term promissory note for $0.5 million in proceeds, with immaterial debt issuance costs. The promissory note carried simple interest of 2.0% and was due and payable after February 2022. In February 2022, the Company repaid the 2021 Promissory Note.

In October 2021, the Company issued a short-term promissory note for $2.0 million in proceeds, with immaterial debt issuance costs. The promissory note contained a financing fee of $0.3 million, which was due and payable along with the principal amount in January 2022. In connection with the promissory note, the Company issued a warrant to purchase 50,000 shares of common stock at an exercise price of $0.01 per share. The principal and accrued interest of the note payable were repaid in January 2022, and no amounts remained outstanding as of December 31, 2022 and thereafter.

2021-A Convertible Notes

In 2020, the Company issued a series of convertible notes ("2021-A Convertible Notes") for $4.3 million in proceeds, with immaterial debt issuance costs, and which are due and payable on demand by the holders after February 2022. The holders are existing investors and are not expected to demand cash settlement, as the Company expects to raise additional preferred financing under which the notes will convert into preferred shares. The notes carry simple interest of 2.0% and contained a conversion feature whereby the notes would convert at 80% of the issuance price of the preferred shares in the next equity financing. The notes also contained other embedded features such as conversion options that were exercisable upon the occurrence of various contingencies. All of the embedded features were analyzed to determine whether they should be bifurcated and separately accounted for as a derivative. Pursuant to such analysis, the Company valued and bifurcated the share-settled redemption feature, which enables the holders to convert the notes to the preferred shares at a predefined discount from the issuance price and recorded its initial fair value of $0.6 million as a discount on the convertible notes face amount. The debt discount was amortized to interest expense at a weighted-average effective interest rate of 18.1% through the maturity dates of the notes.

The fair value of the share-settled redemption feature was estimated based on a probability-weighted analysis of the discounted value of the notes converting under a Next Equity Financing, a change in control, default, or maturity, and the changes in fair value were recognized as a component of other income (expense), net in the consolidated statements of operations and comprehensive loss. The Company recorded zero in expense during the fiscal years ended December 31, 2023 and 2022, related to the change in the fair value of the convertible notes embedded derivative liability. The convertible notes were carried on the consolidated balance sheets at their original issuance value, net of unamortized debt discount and issuance costs. In March 2022, as part of the Company's Series D Preferred Stock issuance, the 2021-A Convertible Notes converted into 869,640 shares of Series D-1 redeemable convertible preferred stock. The Company recognized a gain on the conversion of $0.8 million in other income (expense), net on the consolidated statements of operations and comprehensive loss. As the full carrying value of the note was converted to Series D Preferred Stock, the balance remaining for the note at December 31, 2022 and thereafter remained zero.

As part of the 2021-A Convertible Notes financing, the Company entered into an additional convertible note with an existing investor for $0.5 million. The note carried PIK interest of 3.0% and was due and payable on demand at any time after June 30, 2021. The note contained an embedded conversion feature, which allowed the holder to convert the note into a fixed number of shares of Series C-1 preferred stock at any time after June 30, 2021. The Company concluded the conversion feature was not required to be bifurcated as an embedded derivative liability, and the note was carried at its principal plus accrued PIK interest. As the full carrying value of the note was converted to Series D Preferred Stock, the balance remaining for the note at December 31, 2022 and thereafter remained zero.

The Company did not recognize any interest expense related to the 2021-A Convertible Notes during the fiscal year ended December 31, 2023. Interest expense recognized during the fiscal year ended December 31, 2022 was immaterial.

Current Insight Promissory Note

In January 2021, the Company issued a promissory note for a principal amount of $0.1 million in connection with the purchase of Current Insight, with immaterial debt issuance costs. The promissory note bears interest at 0.14% per annum and has equal monthly installments due and payable through the maturity date of January 2022. The principal and accrued interest were repaid in January 2022, and no amounts remained outstanding as of December 31, 2022 and thereafter.

SAFE Agreements

2019 SAFE

In September 2019, the Company issued the 2019 SAFE for $0.1 million in proceeds, with immaterial debt issuance costs. No interest was accrued on the 2019 SAFE. The 2019 SAFE contained conversion features that allowed the holder to convert the 2019 SAFE into shares of preferred stock upon the next equity financing, subject to a valuation cap. The 2019 SAFE was reported at fair value based on the probability-weighted expected return method ("PWERM"), which assigns value to the multiple settlement scenarios based on the probability of occurrence. The fair value of the 2019 SAFE was $0.2 million as of December 31, 2021. In March 2022, the Company converted the 2019 SAFE into 48,258 shares of Series D-3 redeemable convertible preferred stock. The Company recognized a gain on the conversion of the 2019 SAFE of less than $0.1 million in other income (expense), net on the consolidated statements of operations and comprehensive loss. As the full carrying value of the SAFE was converted to Series D Preferred Stock, the balance remaining for the SAFE at December 31, 2022 and thereafter remained zero.

2021 SAFE

In December 2021, the Company issued the 2021 SAFE for $5.0 million in proceeds, with immaterial debt issuance costs. No interest is accrued on the 2021 SAFE. The 2021 SAFE contained conversion features that allowed the holder to convert the 2021 SAFE into shares of preferred stock upon the next equity financing, subject to a valuation cap. The 2019 SAFE was reported at fair value based on the PWERM, which assigns value to the multiple settlement scenarios based on the probability of occurrence. The fair value of the 2021 SAFE was $6.3 million as of December 31, 2021. In March 2022, the Company converted the 2021 SAFE into 1,005,366 shares of Series D-1 redeemable convertible preferred stock. The Company recognized a gain on the conversion of the 2021 SAFE of $1.4 million in other income (expense), net on the consolidated statements of operations and comprehensive loss. As the full carrying value of the SAFE was converted to Series D Preferred Stock, the balance remaining for the SAFE at December 31, 2022 and thereafter remained zero.

Solaria SAFE

As part of the acquisition of Solaria (refer to Note 4 – Business Combination) the Company acquired the Solaria SAFEs. The number of shares to be issued upon conversion of the SAFE notes contained various features to convert or redeem the Solaria SAFEs in the event of an equity financing, public offering, change of control or a dissolution event.

The Company historically elected to account for all of the SAFE notes at estimated fair value pursuant to the fair value option and recorded the change in estimated fair value as other income (expense), net in the consolidated statements of operations and comprehensive loss until the notes are converted or settled. The SAFE notes were amended through the SAFE Assumption Amendment, Assignment and Assumption Agreement on November 4, 2022, as part of the Business Combination with Complete Solar, whereby all the SAFE notes were assumed by Complete Solar. As part of the purchase price accounting discussed in Note 3 – Reverse Recapitalization, the estimated fair value of the SAFE notes was determined to be $60.5 million. Post consummation of the Business Combination the SAFE notes were converted to 8,171,662 shares of Series D-8 preferred stock as discussed in Note 4 – Business Combination.

(16) 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 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"). The 2022 Plan is the successor of the Complete Solar 2021 Stock Plan, which was amended and assumed in connection with the acquisition of Solaria. The 2011 Plan is the Complete Solar 2011 Stock Plan that was assumed by Complete Solaria in the Required Transaction. The 2016 Plan and the 2006 Plan are the Solaria stock plans that were assumed by Complete Solaria in the Required Transaction.

Under the Plans, the Company has granted service and performance-based stock options and restricted stock units ("RSUs").

A summary of stock option activity for the fiscal year ended December 31, 2023 under the Plans is as follows:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding—December 31, 2022	4,970,419	$ 4.86	6.99	$ 34,180
Options granted	6,961,979	2.58		
Options exercised	(67,534)	0.89		
Options canceled	(148,218)	9.17		
Outstanding—December 31, 2023	11,716,646	$ 3.48	8.53	$ 2,756
Vested and expected to vest— December 31, 2023	11,716,646	$ 3.48	8.53	$ 2,756
Vested and exercisable— December 31, 2023	3,141,940	$ 5.30	4.93	$ 763

A summary of RSU activity for the fiscal year ended December 31, 2023 under the Plans is as follows:

	Number of RSUs	Weighted Average Grant Date Fair Value
Unvested at December 31, 2022	—	
Granted	864,792	$ 6.89
Vested and released	(265,686)	$ 2.76
Cancelled or forfeited	(541,010)	$ 9.44
Unvested at December 31, 2023	58,097	$ 2.07

Determination of Fair Value

Prior to the Mergers, the Company estimated grant-date fair value of stock options using the Black-Scholes-Merton option- pricing model. The determination of the fair value of each stock award using this option-pricing model is affected by the Company's assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, the expected stock price volatility over the term of the awards. Stock-based compensation is measured at the grant date based on the fair value of the award and is recognized as expense on a straight-line basis over the requisite service period, which is generally the vesting period of the respective award.

The following assumptions were used to calculate the fair value of stock-based compensation:

	Fiscal Years Ended December 31,	
	2023	2022
Expected term (in years)	5.50 – 6.32	1.0 – 7.5
Expected volatility	77.0%	60.0% - 78.5%
Risk-free interest rate	1.7% - 4.7%	3.4% - 4.8%
Expected dividends	0.0%	0.0%

Expected term — The Company has opted to use the "simplified method" for estimating the expected term of options, whereby the expected term equals the arithmetic average of the vesting term and the original contractual term of the option (generally 10 years).

Expected volatility — Due to the Company's limited operating history and a lack of company specific historical and implied volatility data, the Company has based its estimate of expected volatility on the historical volatility of a group of peer companies that are publicly traded. The historical volatility data was computed using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of the stock-based awards.

Risk-free interest rate — The risk-free rate assumption is based on U.S. Treasury instruments with maturities similar to the expected term of the Company's stock options.

Expected dividends — The Company has not issued any dividends in its history and does not expect to issue dividends over the life of the options and therefore has estimated the dividend yield to be zero.

Fair value of common stock — The fair value of the shares of common stock underlying the stock-based awards has historically been determined by the Board of Directors, with input from management. Because there has been no public market for the Company's common stock, the Board of Directors has determined the fair value of the common stock on the grant-date of the stock-based award by considering a number of objective and subjective factors. Such factors include a valuation of the Company's common stock performed by an unrelated third-party specialist, valuations of comparable companies, sales of the Company's redeemable convertible preferred stock to unrelated third-parties, operating and financial performance, the lack of liquidity of the Company's capital stock, as well as general and industry-specific economic outlooks. For financial reporting purposes, the Company considers the amount of time between the valuation date and the grant date to determine whether to use the latest common stock valuation or a straight-line interpolation between the two valuation dates. The determination included an evaluation of whether the subsequent valuation indicated that any significant change in valuation had occurred between the previous valuation and the grant date.

Stock-based compensation expense

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

	Fiscal Years Ended December 31,	
	2023	2022
Cost of revenues	$ 84	$ 22
Sales and marketing	487	168
General and administrative	2,252	243
Loss from discontinued operations, net of tax	2,376	470
Total stock-based compensation expense	$ 5,199	$ 903

As of December 31, 2023, there was a total of $20.1 million and zero unrecognized stock-based compensation costs related to service-based options and RSUs, respectively. Such compensation cost is expected to be recognized over a weighted-average period of approximately 2.4 years for service-based options.

In July 2023, the Company's board of directors approved the modification to accelerate the vesting of 52,167 options for employees that were terminated. Additionally, at the same time, the board of directors approved an extension of the post termination exercise period for 280,412 vested options of terminated employees. In connection with the modifications, the Company recorded incremental stock-based compensation expense of $0.1 million.

(17) Employee Stock Purchase Plan

The Company adopted an Employee Stock Purchase Plan (the "ESPP Plan") in connection with the consummation of the Mergers in July 2023. All qualified employees may voluntarily enroll to purchase the Company's common stock through payroll deductions at a price equal to 85% of the lower of the fair market values of the stock of the offering periods or the applicable purchase date. As of December 31, 2023, 2,628,996 shares were reserved for future issuance under the ESPP Plan.

(18) Commitments and Contingencies

Operating Leases

The Company leases its facilities under non-cancelable operating lease agreements. The Company's leases have remaining terms of 0.2 years to 2.8 years. Options to renew or extend leases beyond their initial term have been excluded from measurement of the ROU assets and lease liabilities as exercise is not reasonably certain. Operating leases are reflected on the consolidated balance sheets within operating lease ROU assets and the related current and non-current operating lease liabilities. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from lease agreement. Operating lease ROU assets and liabilities are recognized at the commencement date, or the date on which the lessor makes the underlying asset available for use, based upon the present value of the lease payments over the respective lease term. Lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectation regarding the terms. Variable lease costs such as common area maintenance, property taxes and insurance are expensed as incurred. Variable lease cost was $0.3 million and $0.2 million for the fiscal year ended December 31, 2023 and 2022, respectively. Total lease expense for the fiscal years ended December 31, 2023 and 2022 was $1.4 million and $0.7 million, respectively.

The Company made $1.0 million and $1.0 million of cash payments related to operating leases during the fiscal years ended December 31, 2023 and 2022, respectively. New operating lease right-of-use assets obtained in exchange for operating lease liabilities were zero and $1.9 million during the fiscal years ended December 31, 2023 and 2022, respectively.

The weighted average remaining lease term and the discount rate for the Company's operating leases are as follows:

	December 31, 2023
Remaining average remaining lease term	2.48 years
Weighted average discount rate	15.57%

Future minimum lease payments under non-cancelable operating leases as of December 31, 2023 are as follows (in thousands):

2024	$ 743
2025	592
2026	477
Total undiscounted liabilities	1,812
Less: imputed interest	(539)
Total operating lease liabilities	$ 1,273

Warranty Provision

The Company typically provides a 10-year warranty on its solar energy system installations, which provides assurance over the workmanship in performing the installation, including roof leaks caused by the Company's performance. For solar panel sales, the Company provides a 30-year warranty that the products will be free from defects in material and workmanship. The Company will retain its warranty obligation associated with its panel sales, subsequent to the disposal of its panel business.

The Company accrues warranty costs when revenue is recognized for solar energy systems sales and panel sales, based primarily on the volume of new sales that contain warranties, historical experience with and projections of warranty claims, and estimated solar energy system and panel replacement costs. The Company records a provision for estimated warranty expenses in cost of revenues within the accompanying consolidated statements of operations and comprehensive loss. Warranty costs primarily consist of replacement materials and equipment and labor costs for service personnel.

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

	Fiscal Years Ended December 31,	
	2023	**2022**
Warranty provision, beginning of period	$ 3,981	$ 2,281
Warranty liability from Business Combination	–	1,943
Accruals for new warranties issued	2,968	1,492
Settlements	(2,100)	(1,735)
Warranty provision, end of period	$ 4,849	$ 3,981
Warranty provision, current	$ 1,433	$ 767
Warranty provision, noncurrent	3,416	3,214

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 will not have a material adverse effect on the business, financial position, results of operations, or cash flows.

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 have a material adverse effect on the business, financial position, results of operations, or cash flows. The Company has recorded $7.7 million and $1.9 million as a loss contingency in accrued expenses and other current liabilities on the consolidated balance sheets as of December 31, 2023 and 2022, respectively, primarily associated with the pending settlement of the following legal matters.

Katerra Litigation

On July 22, 2022, Katerra, Inc. filed a complaint for breach of contract and turnover of property under Section 542(b) of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of Texas. The complaint sought damages for the amounts due under the Settlement Agreement and for attorney's fees. The Company filed an answer to the complaint on September 6, 2022. On May 11, 2023, the parties reached a settlement in which Solaria agreed to pay Katerra $0.8 million, paid in monthly payments beginning on May 25, 2023 and ending by October 25, 2023. The settlement had been paid in full as of December 31, 2023.

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

Siemens Litigation

On July 22, 2021, Siemens filed a lawsuit in which Siemens alleged that the Company breached express and implied warranties under a purchase order that Siemens placed with the Company for a solar module system. Siemens claimed damages of approximately $6.9 million, inclusive of amounts of the Company's indemnity obligations to Siemens, plus legal fees.

On February 22, 2024, the Court issued an order against the Company which awarded Siemens approximately $6.9 million, inclusive of the Company's indemnity obligations to Siemens, plus legal fees, the amount of which will 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-judgment interest. The Court will conduct a hearing on Siemens' motion in late May 2024. Pending entry of a final judgment by the Court, the Company intends to appeal such judgment. The Company has recorded $6.9 million and zero as a legal loss related to this litigation in accrued expenses and other current liabilities on the consolidated balance sheets as of December 31, 2023 and 2022, respectively.

China Bridge Litigation

On August 24 2023, China Bridge Capital Limited (“China Bridge”) alleged breach of contract and demanded $6.0 million. The complaint names FACT as the defendant. The complaint alleges China Bridge and FACT entered into a financial advisory agreement in October 2022 whereby FACT engaged China Bridge to advise and assist FACT in identifying a company for FACT to acquire. As part of the agreement, China Bridge claims that FACT agreed to pay China Bridge a $6.0 million advisory fee if FACT completed such an acquisition. China Bridge claims it introduced Complete Solaria to FACT and is therefore owed the $6.0 million advisory fee. 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 consolidated financial statements as the likelihood of a loss is not probable at this time.

Letters of Credit

The Company had $3.5 million of outstanding letters of credit related to normal business transactions as of December 31, 2023. 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 and $3.9 million as of December 31, 2023 and 2022, respectively.

(19) Income Taxes

The Company’s loss from continuing operations before provision for income taxes for the years ended December 31, 2023 and 2022, was as follows (in thousands):

	Years Ended December 31,	
	2023	**2022**
Domestic	$ (94,222)	$ (27,996)
Foreign	(1,995)	–
Total	$ (96,217)	$ (27,996)

The reconciliation of federal statutory income tax rate to our effective income tax rate is as follows (in thousands):

	Years Ended December 31,	
	2023	**2022**
Statutory federal income tax	$ (20,206)	$ (6,184)
State income taxes, net of federal tax benefits	7,833	(1,207)
Stock compensation	637	64
Non-deductible interest expense	887	78
Mark to market adjustments	615	397
Debt extinguishment	2,171	–
Nondeductible Expenses	141	279
Foreign earnings taxed at different rates	419	157
Forward Purchase Agreements	9,780	–
Prior year adjustments	719	–
Liability for warrants	(6,155)	–
Other	(6)	(8)
Valuation allowance	3,145	6,451
Tax Provision	$ (20)	$ 27

Significant components of our deferred tax assets and liabilities are as follows (in thousands):

	Years Ended December 31,	
	2023	2022
Deferred income tax assets		
NOL carryforwards	$ 17,957	$ 60,710
Credits	–	195
Bad debt reserve	2,799	1,382
Inventory reserve	3,764	2,724
Warranty reserve	619	651
Revenue warranty	529	155
Interest expense carryover	5,503	3,445
Accrued compensation	404	678
Deferred revenue	131	195
ASC 842 leases	10	12
Fixed assets	219	328
Intangibles	32	–
Capitalized research and development	808	509
Other	6,985	2,837
Total	39,760	73,821
Valuation allowance	(38,407)	(63,737)
Net deferred tax assets	1,353	10,084
Deferred income tax liabilities		
Accounting method change	–	(18)
Capitalized software	(594)	(234)
Fixed assets	—	—
Intangibles	–	(9,084)
Convertible debt	(759)	(748)
Refundable and deferred income taxes	$ –	$ —

The Company has established a valuation allowance to offset the gross deferred tax assets as of December 31, 2023 and December 31, 2022, due to the uncertainty of realizing future tax benefits from its net operating loss carryforwards and other deferred tax assets. The valuation allowance balance was $38.4 million and $63.7 million for the years ended December 31, 2023 and December 31, 2022, respectively.

In assessing the realizability of deferred income tax assets, the Company considered whether it is more likely than not that some portion or all of its deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Due to the uncertainty surrounding the Company's ability to realize such deferred income tax assets, a full valuation allowance has been established. The valuation allowance decreased by $25.3 million during the year ended December 31, 2023, and increased by $52.4 million during the year ended December 31, 2022. The decrease in fiscal year 2023 is related to net operating loss and credit carryforwards which were deemed unavailable, offset by current year losses, and the increase in fiscal 2022 was due to acquired net operating loss and credit carryforwards as well as current year losses.

As of December 31, 2023 and 2022, the Company had federal net operating loss carryforwards of approximately $267.5 million and $237.7 million, respectively, and state net operating loss carryforwards of approximately $194.2 million and $157.1 million, respectively. The federal net operating loss carryforwards that will expire between the years 2030 and 2037 total $114.6 million.

As of December 31, 2023 and 2022, the Company had state research and development credit carryforwards of $1.6 million for both years, respectively. These credits do not expire.

The utilization of the Company's net operating loss and R&D credit carryforwards may be subject to limitation due to the "change in ownership provisions" under Section 382 of the Internal Revenue Code and similar foreign provisions. Such limitations may result in the expiration of these carryforwards before their utilization. The Company's acquired net operating loss carryforwards have been reduced based on the estimated amount which will be lost due to these limitations. The Company has not reported a deferred tax asset related to remaining acquired loss carryforwards which the Company believes will be lost due to continuation of business enterprise rules. The Company has not completed a Section 382 analysis related to the 2023 sale of assets and it is possible the loss may not be disallowed. The Company has recorded an unrecognized tax benefit related to this uncertain tax position.

The Company is subject to income taxes in the U.S. federal jurisdiction, and various foreign jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company's tax years remain open for examination by all tax authorities since inception. The Company is not currently under examination in any tax jurisdictions.

As of December 31, 2023 and 2022, the Company had unrecognized tax benefits of $53.2 million and $1.3 million, respectively. The reversal of the uncertain tax benefits would not affect the Company's effective tax rate to the extent that it continues to maintain a full valuation allowance against its deferred tax assets.

The Company applies the provisions set forth in FASB ASC Topic 740, Income Taxes, to account for the uncertainty in income taxes. In the preparation of income tax returns in federal and state jurisdictions, the Company asserts certain tax positions based on its understanding and interpretation of income tax laws.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits (in thousands):

	Years Ended December 31,	
	2023	2022
Unrecognized tax benefits as of beginning of year	$ 1,335	$ —
Increases related to prior year tax positions	5	1,335
Increases related to current year tax positions	51,813	—
Decreases related to prior year tax positions	—	—
Unrecognized tax benefits as of end of year	—	—
	$ 53,153	$ 1,335

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the statements of operations and comprehensive loss. Accrued interest and penalties are included as part of income tax payable in the consolidated balance sheets. No accrued interest or penalties have been recorded for the years ended December 31, 2023 or December 31, 2022.

The Company has not provided U.S. income or foreign withholding taxes on the undistributed earnings of its foreign subsidiary as of December 31, 2023 and December 31, 2022 because it intends to permanently reinvest such earnings outside of the U.S. If these foreign earnings were to be repatriated in the future, the related U.S. tax liability will be immaterial, due to the participation exemption put in place under the 2017 Tax Cuts and Jobs Act.

(20) 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 for the fiscal years ended December 31, 2023 and 2022. Undistributed earnings for each period are allocated to participating securities, including the redeemable convertible preferred stock, based on the contractual participation rights of the security to share in the current earnings as if all current period earnings had been distributed. The Company's basic net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average shares of common stock outstanding during periods with undistributed losses.

The basic and diluted shares and net loss per share for the fiscal year ended December 31, 2022 has been retroactively restated to give effect to the conversion of shares of legal acquiree's convertible instruments into shares of legal acquiree common stock as though the conversion had occurred as of the beginning of the period. The retroactive restatement is consistent with the presentation on the accompanying consolidated statements of stockholders' deficit.

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders for the fiscal years ended December 31, 2023 and 2022 (in thousands, except share and per share amounts):

	Fiscal Years Ended December 31,	
	2023	2022
Numerator:		
Net loss from continuing operations	$ (96,197)	$ (28,023)
Net loss from discontinued operations	(25,853)	(1,454)
Impairment loss from discontinued operations	(147,505)	–
Net loss	$ (269,555)	$ (29,477)
Denominator:		
Weighted average common shares outstanding, basic and diluted	24,723,370	22,524,400
Net loss per share:		
Continuing operations – basic and diluted	$ (3.89)	$ (1.24)
Discontinued operations – basic and diluted	(1.05)	(0.07)
Net loss per share – basic and diluted	(4.94)	(1.31)

The computation of basic and diluted net loss per share attributable to common stockholders is the same for the fiscal years ended December 31, 2023 and 2022 because the inclusion of potential shares of common stock would have been anti-dilutive for the periods presented.

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:

	As of December 31,	
	2023	2022
Common stock warrants	23,024,556	43,135
Convertible notes	–	1,912,493
Preferred stock warrants	–	1,152,790
Stock options and RSUs issued and outstanding	11,774,743	4,970,419
Potential common shares excluded from diluted net loss per share	34,799,299	8,078,837

(21) Related Party Transactions

Related Party Convertible Promissory Notes

In 2020, the Company issued convertible promissory notes ("2020-A Convertible Notes") of approximately $3.8 million to various investors, out of which $3.3 million was issued to nine related parties. The principal amount of the outstanding balance accrued interest at 2.0% per annum. In 2021, the Company subsequently issued convertible promissory notes ("2021-A Convertible Notes") of approximately $4.8 million to various investors, out of which $3.6 million was issued to four related parties. The principal amount of the outstanding balance accrued interest at 2.0% per annum. Refer to Note 15 – Borrowing Arrangements for further details.

In March 2022, as part of the Company's Series D redeemable convertible preferred stock issuance, the Company converted all of the outstanding convertible note series. As part of the conversion, the Company recognized a gain on the extinguishment of related party convertible notes of $1.4 million, which was recorded in other income (expense), net on the consolidated statements of operations and comprehensive loss.

In October 2022 through June 2023, the Company issued convertible promissory notes ("2022 Convertible Notes") of approximately $33.3 million to various investors, out of which $12.1 million was issued to five related parties. Additionally, the Company acquired a related party convertible note, on the same terms as the 2022 Convertible Notes as part of the acquisition of Solaria, with a fair value of $6.7 million at the time of the acquisition. The related party debt is presented as convertible notes, net, due to related parties, noncurrent in the accompanying consolidated balance sheets. The principal amount of the outstanding balance on the 2022 Convertible Notes accrues at 5.0%, compounded annually. For the fiscal years ended December 31, 2023 and 2022, the Company has recognized $0.4 million and $0.2 million, respectively, in interest expense related to the related party 2022 Convertible Promissory Notes.

In June 2023, the Company received $3.5 million of prefunded PIPE proceeds from a related party investor in conjunction with the Company's merger with Freedom Acquisition I Corp (refer to Note 1(a) – Description of Business and Note 3 – Reverse Recapitalization). The $3.5 million investment converted to equity for reclassification of prepaid PIPE, which is reflected in the consolidated statements of redeemable convertible preferred stock and stockholders' deficit for fiscal year ended December 31, 2023.

In July 2023, in connection with the Mergers, in addition to the $3.5 million of related party PIPE proceeds noted above, the Company received additional PIPE proceeds from related parties of $12.1 million, which is reflected in the consolidated statements of redeemable convertible preferred stock and stockholders' deficit for the fiscal year ended December 31, 2023.

In July 2023, in connection with the Mergers, the Company issued 120,000 shares to a related party as a transaction bonus. As a result of the issuance, the Company recognized $0.7 million of expense within other income (expense), net in its consolidated statements of operations and comprehensive loss for the fiscal year ended December 31, 2023.

In July 2023, the Company entered into a series of FPAs as described in Note 6 – Forward Purchase Agreements. In connection with the FPAs, the Company recognized other expense of $30.7 million for the fiscal year ended December 31, 2023 in connection with the issuance of 5,670,000 shares of Complete Solaria Common Stock to the related party FPA Sellers. The Company also recognized other income of $0.3 million in connection with the issuance of the FPAs with related parties. As of December 31, 2023, the Company has recognized a liability associated with the FPAs of $3.2 million due to related parties in its consolidated balance sheets, and the Company has recognized other expense associated with the change in fair value of the FPA liability due to related parties of $3.5 million in its consolidated statements of operations and comprehensive loss for both the fiscal year ended December 31, 2023.

In September 2023, in connection with the Mergers, the Company entered into a settlement and release agreement with a related party for the settlement of a working capital loan made to the Sponsor, prior to the closing of the Mergers. As part of the settlement agreement, the Company agreed to pay the related party $0.5 million as a return of capital, which is paid in ten equal monthly installments and does not accrue interest. During fiscal year ended December 31, 2023, the Company made one payment of $0.2 million. As of December 31, 2023, $0.3 million remains outstanding.

There were no other material related party transactions during the fiscal years ended December 31, 2023 and 2022.

(22) Subsequent Events

On January 16, 2024, Complete Solaria, Inc. (the "Company") announced a workforce reduction (the "Workforce Reduction") of 15 employees and 19 contractors, constituting approximately 14% of the Company's workforce. The Company is taking this action to decrease its costs and strategically realign its resources. The Company expects to recognize the majority of these charges in the first quarter of 2024, and that the Workforce Reduction will be substantially complete during the first quarter of 2024. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Workforce Reduction. The Company does not expect that the Workforce Reduction will have a material impact on its consolidated financial statements.

Departure of a Named Executive Officer – William J. Anderson

The Company previously announced in its Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on November 16, 2023, that William J. Anderson had stepped down as the Company's Chief Executive Officer but remained employed with the Company. On January 16, 2024, in connection with the Workforce Reduction, the Company terminated Mr. W. Anderson's employment with the Company, effective as of January 16, 2024 (the "William Anderson Separation Date"). Following the William Anderson Separation Date, Mr. W. Anderson will continue to serve as a member the board of directors of the Company, in addition to other advisory and support roles pursuant to a promissory note consulting agreement to be entered into with Mr. W. Anderson.

Subject to the terms of Mr. W. Anderson's employment agreement, dated as of May 9, 2023, the form of which was filed as Exhibit 10.22 to the Company's Registration Statement on Form S-4 filed with the SEC on May 11, 2023 (the "Promissory Note" "William Anderson Employment Agreement"), Mr. W. Anderson will be entitled to receive:

- cash severance in an amount equal to 12 months of his base salary in effect as of the William Anderson Separation Date, payable in installments beginning on the date that is the 60th day following the William Anderson Separation Date;
- a lump sum amount equal to any earned but unpaid annual bonus from the prior fiscal year ended December 31, 2023, plus a pro rata portion of Mr. W. Anderson's annual bonus for the fiscal year ended December 31, 2024, to the extent such annual bonus would have been earned by Mr. W. Anderson pursuant to the terms of the William Anderson Employment Agreement;
- (A) a payment of continued health coverage for him and his eligible dependents under COBRA for the earlier of (1) a period of 12 months, (2) the expiration of his eligibility for the continuation coverage under COBRA or (3) the date when Mr. W. Anderson becomes eligible for substantially equivalent health insurance coverage in connection with new employment; or (B) a taxable payment in lieu of such payment;
- extension of the period of time in which Mr. W. Anderson may exercise all of his vested stock options until the earlier of (A) the 12-month anniversary of the William Anderson Separation Date, (B) the expiration date of the applicable stock option and (C) termination of the stock options upon a corporate transaction as provided under the applicable equity incentive plan under which such stock options were granted; and
- acceleration of 50% of Mr. W. Anderson's remaining unvested and outstanding stock options subject to time-based vesting as of the William Anderson Separation Date

Departure of a Named Executive Officer – David Anderson

Additionally, on January 16, 2024, and in connection with the Workforce Reduction, the Company terminated David Anderson's employment as the Company's Chief Marketing Officer and Head of Strategic Partnerships, effective as of January 16, 2024 (the "David Anderson Separation Date"). Subject to the terms of Mr. D. Anderson's employment agreement, dated as of May 9, 2023, a form of which was filed as Exhibit 10.22 to the Company's Registration Statement on Form S-4 filed with the SEC on May 11, 2023 (the "David Anderson Employment Agreement"), Mr. D. Anderson will be entitled to receive:

- cash severance in an amount equal to 12 months of Mr. D. Anderson's base salary in effect as of the David Anderson Separation Date, payable in installments beginning on the date that is the 60th day following the David Anderson Separation Date;
- a lump sum amount equal to any earned but unpaid annual bonus from the prior fiscal year ended December 31, 2023 plus a pro rata portion of Mr. D. Anderson's annual bonus for the fiscal year ended December 31, 2024, to the extent such annual bonus would have been earned by Mr. D. Anderson pursuant to the terms of the David Anderson Employment Agreement;
- (A) a payment of continued health coverage for him and his eligible dependents under COBRA for the earlier of (1) a period of 12 months, (2) the expiration of his eligibility for the continuation coverage under COBRA or (3) the date when Mr. D. Anderson becomes eligible for substantially equivalent health insurance coverage in connection with new employment; or (B) a taxable payment in lieu of such payment;

- extension of the period of time in which Mr. D. Anderson may exercise all of his vested stock options until the earlier of (A) the 12-month anniversary of the David Anderson Separation Date, (B) the expiration date of the applicable stock option and (C) termination of the stock options upon a corporate transaction as provided under the applicable equity incentive plan under which such stock options were granted; and
- acceleration of 50% of Mr. D. Anderson's remaining unvested and outstanding stock options subject to time-based vesting as of the David Anderson Separation Date.

The Company expects that the departure of the named executive officers will not have a material financial impact on its consolidated financial statements.

First SAFE

On January 31, 2024, the Company entered into a simple agreement for future equity (the "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 the Company's 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 the Company issues and sells 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) 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 Common Stock sold in the Equity Financing. If the Company consummates 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 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 is convertible into a maximum of 1,431,297 shares of Common Stock, assuming a per share conversion price of $1.05, which is the product of (i) $1.31, the closing price of the Common Stock on January 31, 2024, multiplied by (ii) 80%.

On February 15, 2024, the Company entered into a simple agreement for future equity (the "Second SAFE" and together with the First SAFE, the "SAFEs") with the Purchaser in connection with the Purchaser investing $3.5 million in the Company. The Second SAFE is convertible into shares of Common Stock upon the initial closing of an Equity Financing at a per share conversion price which is equal to the lower of (i) the SAFE Price, and (ii) 80% of the price per share of Common Stock sold in the Equity Financing. If the Company consummates a change of control prior to the termination of the Second SAFE, the Purchaser will be 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 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 is convertible into a maximum of 3,707,627 shares of Common Stock, assuming a per share conversion price of $0.94, which is the product of (i) $1.18, the closing price of the Common Stock on February 15, 2024, multiplied by (ii) 80%.

Departure of Directors or Certain Officers

On March 6, 2024, Brian Wuebbels, the Chief Financial Officer of Complete Solaria, Inc. (the "Company"), notified the Company of his resignation effective April 30, 2024. Mr. Wuebbels will continue in his role as Chief Financial Officer to assist the Company in the filing of its Annual Report on Form 10-K for the year ended December 31, 2023. Mr. Wuebbels will also provide transition services to the Company through his resignation date.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On July 18, 2023, the Audit Committee of the Company's board of directors approved the engagement of Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm to audit the Company's consolidated financial statements for the year ending December 31, 2023. Deloitte previously served as the independent registered public accounting firm of Legacy Complete Solaria prior to the Business Combination. Accordingly, Marcum LLP ("Marcum"), FACT's independent registered public accounting firm prior to the Business Combination, was informed that it would be replaced by Deloitte as the Company's independent registered public accounting firm, following the filing of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023.

Marcum's report of independent registered public accounting firm dated April 6, 2023 on the FACT balance sheet as of December 31, 2022, the related statements of operations, changes in shareholders' deficit and cash flows for each of the two years in the period ended December 31, 2022, and the related notes to the financial statements did not contain any adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainties, audit scope or accounting principles, except for an explanatory paragraph in such report regarding substantial doubt about FACT's ability to continue as a going concern. FACT determined that a material weakness exists in its internal control over financial reporting related to the accounting for complex financial instruments, accrued expenses and accounts payable, and foreign exchange transactions.

During the period from December 23, 2020 (FACT's inception) through December 31, 2022 and the subsequent interim period through March 31, 2023, there were no "disagreements" (as such term is defined in Item 304(a)(1)(iv) of Regulation S-K) with Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Marcum, would have caused Marcum to make reference thereto in its reports on FACT's financial statements for such periods. During the period from December 23, 2020 (FACT's inception) through December 31, 2022 and the subsequent interim period through March 31, 2023, there have been no "reportable events" (as such term is defined in Item 304(a)(1)(v) of Regulation S-K).

During the period from December 23, 2020 (FACT's inception) through December 31, 2022 and the subsequent interim period through March 31, 2023, (i) the Company did not both (a) consult with Deloitte as to the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements and (b) receive a written report or oral advice that Deloitte concluded was an important factor considered by the Company in reaching a decision as to such accounting, auditing, or financial reporting issue; and (ii) the Company did not consult Deloitte on any matter that was either the subject of a "disagreement" (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a "reportable event" (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

The Company has provided Marcum with a copy of the disclosures made by the registrant in this Item 4.01 in response to Item 304(a) of Regulation S-K under the Exchange Act and requested that Marcum furnish the Company with a letter addressed to the SEC stating whether it agrees with the statements made by the registrant in this Item 4.01 in response to Item 304(a) of Regulation S-K under the Exchange Act and, if not, stating the respects in which it does not agree. A letter from Marcum is attached hereto as Exhibit 16.1.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (Disclosure Controls) within the meaning of Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Our Disclosure Controls are designed to ensure that information required to be disclosed by us in the reports we file or submit under the Exchange Act, such as this Annual Report on Form 10-K, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our Disclosure Controls are also designed to ensure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our Disclosure Controls, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily applied its judgment in evaluating and implementing possible controls and procedures.

As of the end of the period covered by this Annual Report on Form 10-K, we evaluated the effectiveness of the design and operation of our Disclosure Controls, which was done under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer. Based on the evaluation of our Disclosure Controls, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2023, our Disclosure Controls were not effective due to a material weakness in the Company's internal control over financial reporting as disclosed below.

Management's Report on Internal Controls Over Financial Reporting

Prior to the Business Combination, we were a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more operating businesses. As a result, previously existing internal controls are no longer applicable or comprehensive enough as of the assessment date as our operations prior to the Business Combination were insignificant compared to those of the consolidated entity post-Business Combination. In addition, the design of internal controls over financial reporting for the Company following the Business Combination has required and will continue to require significant time and resources from our management and other personnel. As a result, our management was unable, without incurring unreasonable effort or expense, to conduct an assessment of our internal control over financial reporting as of December 31, 2023. Accordingly, we are excluding management's report on internal control over financial reporting pursuant to Section 215.02 of the SEC's Division of Corporation Finance's Regulation S-K Compliance and Disclosure Interpretations.

Plan to Remediate Material Weaknesses in Internal Control Over Financial Reporting

We have taken certain steps, such as recruiting additional personnel, in addition to utilizing third-party consultants and specialists, to supplement its internal resources, to enhance its internal control environment and plans to take additional steps to remediate the material weaknesses. Although we plan to complete this remediation process as quickly as possible, we cannot at this time estimate how long it will take. We cannot assure you that the measures we have taken to date and may take in the future, will be sufficient to remediate the control deficiencies that led to our material weakness in internal control over financial reporting or that it will prevent or avoid potential future material weaknesses.

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 secured revolving credit facility and other agreements, or other material adverse effects on our business, reputation, results of operations, financial condition or liquidity.

Attestation Report of Registered Public Accounting Firm

This loan Annual Report on Form 10-K does not include an attestation report of the Company's registered public accounting firm due to the Company's status as an EGC and is non-interest bearing exempted from the auditor attestation requirement of Section 404(b) of the Sarbanes-Oxley Act.

Changes in Internal Control over Financial Reporting

Other than the material weakness and remediation efforts described above, there were no changes in our internal control over financial reporting during the fourth quarter that would have materially affected, or are reasonably likely to materially affect, 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.

ITEM 9B. OTHER INFORMATION

Insider Trading Arrangements

During the three months ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any "non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our directors and executive officers and their ages as of January 31, 2024

Name	Age	Position
Chris Lundell	62	Chief Executive Officer and Director
Brian Wuebbels	51	Chief Financial Officer
Thurman J. Rodgers[3]	74	Executive Chairman
Devin Whatley[2]	54	Director
Tidjane Thiam[1]	61	Director
Adam Gishen[1][3]	48	Director
Ronald Pasek[1][2]	62	Director
Antonio R. Alvarez[2]	67	Director
William J. Anderson	47	Director

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of the Nominating and Corporate Governance Committee.

Executive Officers

Chris Lundell

Chris Lundell is the Founder of CMO Grow, a marketing consultancy firm. Prior to that, he was the CMO at Vivint Solar, the President of the Americas at NEXThink, and CMO and COO at Domo. He holds an M.B.A. from Brigham Young University.

Brian Wuebbels

Brian Wuebbels has served as the Chief Financial Officer of Complete Solaria since February 2023. From 2021 to 2022, Mr. Wuebbels served as the President of Control & Elevator at the Nidec Motor Corporation where he led a global team of executives in Sales, Marketing, Engineering and Operations. From 2019 to 2021, Mr. Wuebbels served as Chief Financial Officer and Head of Operations for Motion & Control. From 2017 to 2018, Mr. Wuebbels served as Chief Financial Officer and Head of Operations for GCL, a solar power company. From 2010 to 2016, Mr. Wuebbels served as the Executive Vice President, Chief Financial Officer and Chief Administrative Officer at SunEdison. From 2003 to 2007, Mr. Wuebbels served as a finance executive at Honeywell. From 1993 to 2003, Mr. Wuebbels served in various roles at General Electric. Mr. Wuebbels holds an M.B.A. from the University of Southern California and a Bachelor of Science in mechanical engineering from University of Illinois Urbana-Champaign.

Non-Employee Directors

Thurman J. Rodgers

Thurman J. (T.J.) Rodgers has served as a member of the Complete Solaria Board since November 2022 and as Executive Chairman since June 2023. Mr. Rodgers founded Cypress Semiconductor in 1982 and served as Cypress' Chief Executive Officer from 1982 to 2016. Mr. Rodgers currently serves on the boards of other energy-related companies: including Enovix, Enphase Energy Inc. (energy and storage technologies), and FTC Solar (single-axis tracking for solar). From 2004 to 2012, he served as a member of Dartmouth's board of trustees. Mr. Rodgers was a Sloan scholar at Dartmouth, where he graduated in 1970 as the Salutatorian with a double major in Physics and Chemistry. He won the Townsend Prize and the Haseltine Chemistry-Physics Prize as the top physics and chemistry student in his class. Mr. Rodgers holds a master's degree and a Ph.D. in Electrical Engineering from Stanford University, where he attended on a Hertz fellowship.

Devin Whatley

Devin Whatley has served as a member of the Complete Solaria Board since November 2022. Since 2010, Mr. Whatley has served as the Managing Partner at the Ecosystem Integrity Fund. Mr. Whatley serves as a member of the board of directors of several private companies focused on renewable energy. Mr. Whatley was a CFA Charterholder and holds a B.A. in East Asian Studies with a Business Emphasis from the University of California, Los Angeles and an M.B.A. from the Wharton School at the University of Pennsylvania.

Tidjane Thiam

Mr. Thiam served as a member of the FACT Board and as Executive Chairman of FACT since inception until the Business Combination in July 2023. In 2021, Mr. Thiam was appointed Chairman of Rwanda Finance Limited. He also serves as a Director and Chair of the Audit Committee of Kering S.A., the French luxury group. Mr. Thiam is also a Special Envoy on Covid 19 for the African Union. From 2015 to 2020, Mr. Thiam was Chief Executive Officer of Credit Suisse Group AG. From 2014 to 2019, Mr. Thiam was a Director of 21st Century Fox and served on its Nominating and Corporate Governance Committee. Mr. Thiam previously served at Prudential plc, a global insurance company based on London, as the Group Chief Executive from 2009 to 2015, a Director from 2008 to 2015 and Group Chief Financial Officer from 2008 to 2009. Mr. Thiam holds an M.B.A. from INSEAD and graduated from École Nationale Supérieure des Mines de Paris in 1986 and from École Polytechnique in Paris in 1984.

Adam Gishen

Mr. Gishen served as FACT's Chief Executive Officer from February until the Business Combination in July 2023, and served as one of FACT's initial board observers. From 2015 to 2020, Mr. Gishen served in several senior roles at Credit Suisse Group AG, including Global Head of Investor Relations, Corporate Communications and Marketing and Branding. Prior to 2015, Mr. Gishen was a partner at Ondra Partners, a financial advisory firm and previous to this worked as a Managing Director at Nomura and at Lehman Brothers in the area of equity capital markets. Mr. Gishen graduated from the University of Leeds.

Ronald Pasek

Ronald Pasek has served as a member of the Complete Solaria Board since February 2023. Since 2015, Mr. Pasek has served as the chairman of the board of directors of Spectra7 Microsystems Inc., a Canadian publicly-traded consumer connectivity company. From 2016 to 2020, Mr. Pasek was Chief Financial Officer of NetApp. From 2009 until its acquisition by Intel in December 2015, Mr. Pasek served as Senior Vice President, Finance and Chief Financial Officer of Altera Corporation, a worldwide provider of programmable logic devices. Mr. Pasek was previously employed by Sun Microsystems, in a variety of roles including Vice President, Corporate Treasurer and Vice President of worldwide field finance, worldwide manufacturing and U.S. field finance. Mr. Pasek holds a B.S. degree from San Jose State University and an M.B.A. degree from Santa Clara University.

Antonio R. Alvarez

Antonio R. Alvarez has served as a member of the Complete Solaria Board since November 2022. Mr. Alvarez served as the President of Complete Solaria since the merger of Complete Solar and Solaria in November 2022 until March 2023. From 2020 to 2022, Mr. Alvarez served as Solaria's Chief Executive Officer. Prior to 2020, Mr. Alvarez served in various executive roles at Altierre Corporation, Aptina Imaging, Advanced Analogic Technologies, Leadis Technology and Cypress Semiconductor. Currently, Mr. Alvarez serves on the board of directors of NexGen Power Systems and previously served as a board member of SunEdison, SunEdison Semiconductor, ChipMOS Technology, and Validity Sensors. Mr. Alvarez holds a B.S. and an M.S. in Electrical Engineering from the Georgia Institute of Technology.

William J. Anderson

William J. Anderson served as the Chief Executive Officer of Complete Solaria from November 2022 to December 2023. From 2010 to 2022, he served as the Chief Executive Officer of Complete Solar. From 2007 to 2009, Mr. Anderson served as CEO of Risk Allocation Systems, Inc., a lending platform connecting automobile dealerships and credit unions in order to offer point of sale automobile loans to car buyers. From 2009 to 2010, Mr. Anderson served as Partner at SVE Partners, a boutique consulting firm serving technology start-ups and venture capital investors. Mr. Anderson holds a B.S. in Managerial Sciences from the Massachusetts Institute of Technology and an M.B.A. from the Stanford University Graduate School of Business.

Role of Board in Risk Oversight

One of the key functions of the Complete Solaria Board is the informed oversight of Complete Solaria's risk management process. The Complete Solaria Board does not anticipate having a standing risk management committee, but rather anticipates administering this oversight function directly through the Complete Solaria Board as a whole, as well as through various standing committees of the Complete Solaria Board that address risks inherent in their respective areas of oversight. In particular, the Complete Solaria Board is responsible for monitoring and assessing strategic risk exposure and Complete Solaria's audit committee is responsible for considering and discussing Complete Solaria's major financial risk exposures and the steps its management will take to monitor and control such exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The audit committee monitors compliance with legal and regulatory requirements. Complete Solaria's compensation committee assesses and monitors whether Complete Solaria's compensation plans, policies and programs comply with applicable legal and regulatory requirements.

Board Committees

Upon the Closing of the Business Combination, our Board formed an audit committee, a compensation committee, and a nominating and corporate governance committee. The Complete Solaria Board may from time to time establish other committees.

Complete Solaria's Chief Executive Officer and other executive officers will regularly report to the non-executive directors and each standing committee to ensure effective and efficient oversight of its activities and to assist in proper risk management and the ongoing evaluation of management controls.

Audit Committee

The audit committee consists of Ronald Pasek, who serves as the chairperson, Adam Gishen and Tidjane Thiam. Each member of the audit committee qualifies as an independent director under the Nasdaq corporate governance standards and the independence requirements of Rule 10A-3 under the Exchange Act. Ronald Pasek qualifies as an "audit committee financial expert" as such term is defined in Item 407(d)(5) of Regulation S-K and possesses the requisite financial expertise required under the applicable requirements of Nasdaq.

The responsibilities of the audit committee include, among other things:

- helping the board of directors oversee corporate accounting and financial reporting processes;
- managing the selection, engagement and qualifications of a qualified firm to serve as the independent registered public accounting firm to audit Complete Solaria's financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, Complete Solaria's interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing policies on financial risk assessment and financial risk management;
- reviewing related party transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes Complete Solaria's internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving (or, as permitted, pre-approving) all audit and all permissible non-audit service to be performed by the independent registered public accounting firm.

The Complete Solaria Board adopted a written charter of the audit committee which is available on Complete Solaria's website, https://www.completesolaria.com.

Compensation Committee

The Compensation Committee consists of Antonio R. Alvarez, who serves as the chairperson, Ronald Pasek and Devin Whatley. Each committee member a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act. Although Mr. Alvarez is not an independent director, Section 5605(d)(2)(B) of the Nasdaq listing standards nonetheless permits the appointment of a non-independent director to the compensation committee if the board of directors, under exceptional and limited circumstances, determines that the non-independent director's membership is required by the best interests of the company and its stockholders. Based on Mr. Alvarez's extensive experience with Complete Solaria and familiarity with the industry, the Complete Solaria Board concluded that Mr. Alvarez's appointment to, and membership on, the compensation committee was in the best interests of Complete Solaria and its stockholders. Further, a majority of the members of the compensation committee are independent directors. Mr. Alvarez is permitted to serve on the Compensation Committee for a maximum of two years.

The responsibilities of the compensation committee are:

- reviewing and approving, or recommending that the Complete Solaria Board approve, the compensation of Complete Solaria's executive officers and senior management;
- reviewing and recommending to the Complete Solaria Board the compensation of Complete Solaria's directors;
- reviewing and approving, or recommending that the Complete Solaria Board approve, the terms of compensatory arrangements with Complete Solaria's executive;
- administering Complete Solaria's stock and equity incentive plans;
- selecting independent compensation consultants and assessing whether there are any conflicts of interest with any of the committee's compensation advisors;
- reviewing, approving, amending and terminating, or recommending that the Complete Solaria Board approve, amend or terminate, incentive compensation and equity plans, severance agreements, change-of-control protections and any other compensatory arrangements for Complete Solaria's executive officers and other senior management, as appropriate;
- reviewing and establishing general policies relating to compensation and benefits of Complete Solaria's employees; and
- reviewing Complete Solaria's overall compensation.

The Complete Solaria Board adopted a written charter for the compensation committee which is available on Complete Solaria's website.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee consists of Thurman J. Rodgers, who serves as the chairperson, and Adam Gishen. The responsibilities of the nominating and corporate governance committee are:

- identifying, evaluating and selecting, or recommending that the Complete Solaria Board approve, nominees for election to the Complete Solaria Board;
- evaluating the performance of the Complete Solaria Board and of individual directors;
- evaluating the adequacy of Complete Solaria's corporate governance practices and reporting;
- reviewing management succession plans; and
- developing and making recommendations to the Complete Solaria Board regarding corporate governance guidelines and matters.

Code of Ethical Business Conduct

Complete Solaria has adopted a code of ethical business conduct that applies to all of its directors, officers and employees, including its principal executive officer, principal financial officer and principal accounting officer, which was by Complete Solaria at the closing and is available on Complete Solaria's website. Complete Solaria's code of business conduct is a "code of ethics," as defined in Item 406(b) of Regulation S-K. Complete Solaria will make any legally required disclosures regarding amendments to, or waivers of, provisions of its code of ethics on its internet website.

Compensation Committee Interlocks and Insider Participation

No member of the compensation committee was at any time during 2023, or at any other time, one of Complete Solaria's officers or employees, except Mr. Alvarez who served as Complete Solaria's president until March 2023. None of Complete Solaria's executive officers has served as a director or member of a compensation committee (or other committee serving an equivalent function) of any entity, one of whose executive officers served as a director of our board of directors or member of the compensation committee.

Independence of the Board of Directors

Nasdaq rules generally require that independent directors must comprise a majority of a listed company's board of directors. Based upon information requested from and provided by each proposed director concerning his or her background, employment and affiliations, including family relationships, we have determined that Messrs. Rodgers, Whatley, Thiam, Gishen and Pasek, representing a majority of Complete Solaria's proposed directors, are "independent" as that term is defined under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq.

Delinquent Section 16(a) Reports

Pursuant to Section 16 of the Exchange Act, executive officers, directors, and holders of more than 10% of the Complete Solaria's common stock are required to file reports of their trading in Complete Solaria equity securities with the SEC. Based solely on a review of the copies of such reports filed with the SEC during with respect to the last fiscal year, and written representations from certain reporting persons that no other filings were required, Complete Solaria believes that all filings required to be made by its reporting persons complied with all applicable Section 16 filing requirements during fiscal year 2023.

ITEM 11. EXECUTIVE COMPENSATION

FACT

Employment Agreements

Prior to the closing of the Business Combination, FACT did not enter into any employment agreements with its executive officers and did not make any agreements to provide benefits upon termination of employment.

Executive Officers and Director Compensation

No FACT executive officers or directors received any cash compensation for services rendered to FACT. FACT paid its sponsor or an affiliate thereof up to $10,000 per month for office space, utilities, secretarial and administrative support services provided to members of our management team and other expenses and obligations of our sponsor. Executive officers and directors, or any of their respective affiliates were reimbursed for any out-of-pocket expenses incurred in connection with activities on FACT's behalf such as identifying potential target businesses and performing due diligence on suitable business combinations.

Complete Solaria

Complete Solaria has opted to comply with the executive compensation disclosure rules applicable to emerging growth companies, as FACT is an emerging growth company. The scaled down disclosure rules are those applicable to "smaller reporting companies," as such term is defined in the rules promulgated under the Securities Act, which require compensation disclosure for Complete Solaria's principal executive officer and its two most highly compensated executive officers other than the principal executive officer whose total compensation for 2023 exceeded $100,000 and who were serving as executive officers as of December 31, 2023. Complete Solaria refers to these individuals as "named executive officers." For 2023, Complete Solaria's named executive officers were:

- Chris Lundell, Complete Solaria's Chief Executive Officer
- Brian Wuebbels, Complete Solaria's Chief Financial Officer
- William J. Anderson, Complete Solaria's former Chief Executive Officer;
- Antonio R. Alvarez, Complete Solaria's former President;
- Vikas Desai, Complete Solaria's former President & General Manager, Business Units; and
- Taner Ozcelik, Complete Solaria's former Chief Executive Officer.

As previously reported on Complete Solaria's Current Report on Form 8-K filed with the SEC on November 16, 2023, Taner Ozcelik was appointed as the Company's Chief Executive Officer, effective November 20, 2023. However, as previously reported on Complete Solaria's Current Report on Form 8-K filed with the SEC on November 28, 2023, Mr. Ozcelik and the Company agreed on November 21, 2023 that he would not continue as the Company's Chief Executive Officer due to personal reasons. Mr. Ozcelik did not receive any compensation as Chief Executive Officer.

Complete Solaria believes its compensation program should promote the success of the company and align executive incentives with the long-term interests of its stockholders. Complete Solaria's current compensation programs reflect its startup origins in that they consist primarily of salary and stock option awards. As Complete Solaria's needs evolve, Complete Solaria intends to continue to evaluate its philosophy and compensation programs as circumstances require.

Summary Compensation Table

The following table shows information regarding the compensation of Complete Solaria's named executive officers for services performed in the year ended December 31, 2023.

Name and Principal Position	Year	Salary	Bonus	Option Awards(1)	All Other Compensation	Total
Chris Lundell *Chief Executive Officer*	2023	$ 450,000	—	$ 4,560,000	—	$ 5,010,000
Brian Wuebbels *Chief Financial Officer*	2023	$ 330,000	—	$ 1,966,514	—	$ 2,296,514

Name and Principal Position	Year	Salary	Bonus	Option Awards(1)	All Other Compensation	Total
William J. Anderson	2022	$ 300,000	$ 18,000	$ 103,444	—	$ 421,444
Former Chief Executive Officer[(2)]	2023	$ 380,000	—	$ 1,501,071	—	$ 1,881,071
Antonio R. Alvarez	2022	$ 331,000	—	—	—	$ 331,000
Former President[(3)]	2023	$ 360,000	—	—	—	$ 360,000
Vikas Desai[(4)]	2022	$ 305,000	—	$ 423,055	—	$ 728,055
Former President & General Manager, Business Units	2023	$ 360,000	—	$ 1,250,892	—	$ 1,610,892

(1) Amounts reported in this column do not reflect the amounts actually received by Complete Solaria's named executive officers. Instead, these amounts reflect the aggregate grant-date fair value of awards granted to each named executive officer, computed in accordance with the FASB ASC Topic 718, *Stock-based Compensation*. See Note 16 to Complete Solar's audited financial statements and Note 13 to Solaria's audited consolidated financial statements included elsewhere in this prospectus for discussion of assumptions made in determining the grant date fair value of its equity awards. As required by SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. The shares underlying these options vest in 48 equal monthly installments, subject to the named executive officer's continued service at each vesting date.

(2) Mr. Anderson stepped down as the Chief Executive Officer in December 2023.

(3) Mr. Alvarez left the company in March 2023.

(4) Mr. Desai left the Company in October 2023.

Outstanding Equity Awards at December 31, 2023

The following table presents information regarding the outstanding option awards held by each of the named executive officers as of December 31, 2023:

Name	Grant Date (1)	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration $Date
William J. Anderson	10/18/2016	10/18/2016	579,564	—	0.19	10/17/2026
	6/12/2020	6/1/2020	370,276	— (2)	0.83	6/11/2030
	6/12/2020	6/1/2020	16,009	— (2)	0.83	6/11/2030
	9/9/2022	3/1/2022	56,355	40,239 (2)	1.87	9/8/2032
	6/19/2023	6/19/2023	73,269	554,592 (3)	$ 5.18	6/18/2033
Antonio R. Alvarez	7/30/2020	5/11/2020	43,651	17,248 (3)	8.22	7/29/2030
	7/30/2020	5/11/2020	209,586	83,220 (3)	8.22	7/29/2030
Vikas Desai	6/22/2018	2/28/2018	4,244	—	10.03	6/21/2028
	10/28/2021	10/11/2021	46,975	61,389 (3)	4.62	10/27/2031
	10/28/2021	10/11/2021	75,178	98,294 (3)	4.62	10/27/2031
	9/28/2022	10/27/2022	11,748	38,456 (4)	11.45	9/27/2032
	9/28/2022	10/27/2022	2,076	6,670 (4)	11.45	9/27/2032
	6/11/2023	6/11/2023	33,845	255,937 (3)	$ 5.18	6/18/2033
Chris Lundell	12/21/2023	12/7/2023	—	3,000,000 (4)	$ 1.52	12/7/2033
Brian Wuebbels	6/11/2023	6/11/2023	63,297	316,339	$ 5.18	6/18/2033

(1) All option awards were granted pursuant to the Complete Solaria's 2023 Incentive Equity Plan (the "2023 Plan") Complete Solaria's 2022 Stock Plan (the "2022 Plan"), Complete Solaria's 2011 Stock Plan (the "2011 Plan"), Complete Solaria's 2016 Stock Plan (the "2016 Plan") and Complete Solaria's 2006 Stock Plan (the "2006 Plan"). As is described in greater detail below in the "Employee Benefit Plans" section, the 2016 Plan and 2006 Plan were assumed by Complete Solaria from Solaria in connection with the Complete Solar and Solaria Merger.

(2) The total shares underlying the option award vest in 36 equal monthly installments, subject to the named executive officer's continued service at each vesting date.

(3) The total shares underlying the option award vest in 60 equal monthly installments, subject to the named executive officer's continued service at each vesting date.

(4) 20% of the total shares underlying the option award vest on the one-year anniversary of the vesting commencement date, thereafter 1/60th of the total shares underlying the option award vest in 60 equal monthly installments.

Employment Arrangements with Named Executive Officers

Each of Complete Solaria's named executive officers is an at-will employee. Each officer is currently party to an employment agreement setting forth their terms of employment. The employment agreements with each named executive officer provides that if such officer's employment is terminated for any reason other than cause (as defined in the employment agreement), death or disability, or if such officer resigns for good reason (as defined in the employment agreement), and provided that in either case such termination constitutes a separation from service (as defined in the employment agreement) and the separation is not on or within 12 months following a change of control, then subject to such officer executing a release agreement in Complete Solaria's favor, and continuing to comply with all of his obligations to Complete Solaria and its affiliates, he will receive the following benefits: (a) payment of such officer's earned but unpaid base salary; (b) payment of such officer of any unpaid bonus, with respect to the fiscal year immediately preceding the fiscal year in which such termination or such resignation occurs; (c) payment to such officer of any vested benefits to which he may be entitled under any applicable plans and programs of the Company; (d) a severance payment equal to six months of such officer's then base salary plus a pro rata portion of such officer's bonus with respect to the fiscal year in which such termination or such resignation occurs; (e) if such officer timely and properly elects to continue group health care coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985("COBRA"), payment of such officer's COBRA premium expenses until the earliest of (i) the six-month anniversary of the termination date; (ii) the date such officer is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which such officer becomes eligible to receive substantially similar coverage from another employer; and (f) the applicable post-termination exercised period for any vested options will extend to the earlier of (i) the six-month anniversary of the termination date, (ii) the expiration date of the option or (iii) earlier termination upon a corporate transaction.

In addition, the employment agreements with each named executive officer provide that if such officer's employment is terminated for any reason other than cause (as defined in the employment agreement), death or disability, or if such officer resigns for good reason (as defined in the employment agreement), and provided that in either case such termination constitutes a separation from service (as defined in the employment agreement) and the separation is on or within 12 months following a change of control, then subject to such officer executing a release agreement in Complete Solaria's favor, and continuing to comply with all of his obligations to Complete Solaria and its affiliates, he will receive the following benefits: (a) payment of such officer's earned but unpaid base salary; (b) payment of such officer of any unpaid bonus, with respect to the fiscal year immediately preceding the fiscal year in which such termination or such resignation occurs; (c) payment to such officer of any vested benefits to which he may be entitled under any applicable plans and programs of the Company; (d) a severance payment equal to 12 months of such officer's then base salary plus a pro rata portion of such officer's bonus with respect to the fiscal year in which such termination or such resignation occurs; (e) if such officer timely and properly elects to continue group health care coverage under COBRA, payment of such officer's COBRA premium expenses until the earliest of (i) the 12-month anniversary of the termination date; (ii) the date such officer is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which such officer becomes eligible to receive substantially similar coverage from another employer; (f) the applicable post-termination exercised period for any vested options will extend to the earlier of (i) the 12-month anniversary of the termination date, (ii) the expiration date of the option or (iii) earlier termination upon a corporate transaction; and (g) acceleration of 50% of such officer's remaining unvested outstanding stock options subject to time-based vesting.

Base Salary

Base salaries are intended to provide a level of compensation sufficient to attract and retain an effective management team, when considered in combination with the other components of the executive compensation program. In general, Complete Solaria seeks to provide a base salary level designed to reflect each executive officer's scope of responsibility and accountability.

Bonuses

Beginning January 1, 2023, each of our named executive officers was eligible for an annual bonus of 50% of such officer's annual gross salary, based on criteria determined by our board of directors, including, but not limited to, the satisfaction of minimum performance standards, and the achievement of budgetary and other objectives, set by our board of directors in its sole and absolute discretion.

Director Compensation

In 2023, Complete Solaria granted its directors stock options for their contributions to the operations of the business. The following table provides the compensation for each member of the Board for 2023:

Name	Fees Earned or Paid in Cash	Option Awards	All other Compensation	Total
Thurman J. Rodgers	—	$ 132,925 (1)	—	$ 132,925
Adam Gishen	—	$ 89,881 (1)	—	$ 89,881
Antonio R. Alvarez	—	$ 86,034 (1)	—	$ 86,034
Chris Lundell	—	$ 86,034 (1)	—	$ 86,034
Devin Whatley	—	$ 100,461 (1)	—	$ 100,461
Ron Pasek	—	$ 100,461 (1)	—	$ 100,461
Tidjane Thiam	—	$ 86,034 (1)	—	$ 86,034
William J. Anderson	—	—	—	—

(1) The total shares underlying the option award fully vest on the one-year anniversary of the vesting commencement date.

Executive Compensation

Complete Solaria's compensation committee oversees the compensation policies, plans and programs and reviews and determines compensation to be paid to executive officers, directors and other senior management, as appropriate. The compensation policies followed by Complete Solaria are intended to provide for compensation that is sufficient to attract, motivate and retain executives of Complete Solaria and potential other individuals and to establish an appropriate relationship between executive compensation and the creation of stockholder value.

Nonqualified Deferred Compensation

Complete Solaria's named executive officers did not participate in, or earn any benefits under, any nonqualified deferred compensation plan sponsored by Complete Solaria during 2023. Complete Solaria's board of directors may elect to provide officers and other employees with nonqualified deferred compensation benefits in the future if it determines that doing so is in the company's best interests.

Pension Benefits

Complete Solaria's named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by Complete Solaria during 2023.

Employee Benefit Plans

Equity-based compensation has been and will continue to be an important foundation in executive compensation packages as Complete Solaria believes it is important to maintain a strong link between executive incentives and the creation of stockholder value. Complete Solaria believes that performance and equity-based compensation can be an important component of the total executive compensation package for maximizing stockholder value while, at the same time, attracting, motivating and retaining high-quality executives. In July 2023, our board of directors adopted the 2023 Incentive Equity Plan (the "***2023 Plan***") and the Employee Stock Purchase Plan (the "***ESPP***"). The 2023 Plan and the ESPP became effective immediately upon the Closing of the Business Combination. Below is a description of the 2023 Plan, the ESPP, 2022 Plan, the 2011 Plan, the 2016 Plan and the 2006 Plan. The 2022 Plan is the successor of the Complete Solar 2021 Stock Plan, which was amended and assumed by Complete Solaria in connection with the Required Transaction. The 2011 Plan is the Complete Solar 2011 Stock Plan that was assumed by Complete Solaria in the Required Transaction.

The 2016 Plan and the 2006 Plan are the Solaria stock plans that were assumed by Complete Solaria in the Required Transaction.

Complete Solaria 2023 Incentive Equity Plan

In July 2023, our board of directors adopted and our stockholders approved the 2023 Incentive Equity Plan (the "**2023 Plan**"). The 2023 Plan became effective immediately upon the closing.

Eligibility. Any individual who is an employee of Complete Solaria or any of its affiliates, or any person who provides services to Complete Solaria or its affiliates, including consultants and members of Complete Solaria's Board, is eligible to receive awards under the 2023 Plan at the discretion of the plan administrator.

Awards. The 2023 Plan provides for the grant of incentive stock options ("**ISOs**"), within the meaning of Section 422 of the Code to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options ("**NSOs**"), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of awards to employees, directors and consultants, including employees and consultants of Complete Solaria's affiliates.

Authorized Shares. Initially, a maximum number of 8,763,322 of 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 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).

The unused shares subject to stock awards granted under the 2023 Plan that expire, lapse or are terminated, exchanged for or settled in cash, surrendered, repurchased, canceled without having been fully exercised or forfeited, in any case, in a manner that results in Complete Solaria acquiring shares covered by the stock award at a price not greater than the price (as adjusted pursuant to the 2023 Plan) paid by the participant for such shares or not issuing any shares covered by the stock award, will, as applicable, become or again be available for stock award grants under the 2023 Plan.

Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year, including awards granted and cash fees paid to such non-employee director, will not exceed (1) $1,000,000 in total value or (2) if such non-employee director is first appointed or elected to Complete Solaria's Board during such calendar year, $1,500,000 in total value, in each case, calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.

Plan Administration. Complete Solaria's Board, or a duly authorized committee thereof, will administer the 2023 Plan and is referred to as the "plan administrator" herein. Complete Solaria's Board may also delegate to one or more of Complete Solaria's officers the authority to (1) designate employees (other than officers) to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under the 2023 Plan, the Complete Solaria Board has the authority to determine award recipients, grant dates, the numbers and types of stock awards to be granted, the applicable fair market value, and the provisions of each stock award, including the period of exercisability and the vesting schedule applicable to a stock award.

Stock Options. ISOs and NSOs are granted under stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2023 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of a share of Complete Solaria Common Stock on the date of grant. Options granted under the 2023 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

The plan administrator determines the term of stock options granted under the 2023 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement provide otherwise or as otherwise provided by the plan administrator, if an optionholder's service relationship with Complete Solaria or any of Complete Solaria's affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. Unless the terms of an optionholder's stock option agreement provide otherwise or as otherwise provided by the plan administrator, if an optionholder's service relationship with Complete Solaria or any of Complete Solaria's affiliates ceases due to death or disability, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 18 months following the date of death, or 12 months following the date of disability. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of Complete Solaria Common Stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of Complete Solaria Common Stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO or (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options and stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the plan administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of Complete Solaria's Common Stock with respect to ISOs that are exercisable for the first time by an award holder during any calendar year under all of Complete Solaria's stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of Complete Solaria's total combined voting power or that of any of Complete Solaria's parent or subsidiary corporations unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Unit Awards. Restricted stock unit awards are granted under restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards will generally be granted in consideration for a participant's services, but may be granted in consideration for any form of legal consideration that may be acceptable to the plan administrator and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of shares of Complete Solaria Common Stock, a combination of cash and shares of Complete Solaria Common Stock as determined by the plan administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement or by the plan administrator, restricted stock unit awards that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Stock Awards. Restricted stock awards are granted under restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, services to us, or any other form of legal consideration that may be acceptable to the plan administrator and permissible under applicable law. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with Complete Solaria ends for any reason, Complete Solaria may receive any or all of the shares of Complete Solaria Common Stock held by the participant that have not vested as of the date the participant terminates service with Complete Solaria through a forfeiture condition or a repurchase right.

Stock Appreciation Rights. Stock appreciation rights are granted under stock appreciation right agreements adopted by the plan administrator. The plan administrator determines the strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of Complete Solaria Common Stock on the date of grant. A stock appreciation right granted under the 2023 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator. Stock appreciation rights may be settled in cash or shares of Complete Solaria Common Stock or in any other form of payment, as determined by the plan administrator and specified in the stock appreciation right agreement.

The plan administrator determines the term of stock appreciation rights granted under the 2023 Plan, up to a maximum of 10 years. Unless the terms of a participant's stock appreciation rights agreement provide otherwise or as otherwise provided by the plan administrator, if a participant's service relationship with Complete Solaria or any of its affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. Unless the terms of a participant's stock appreciation rights agreement provide otherwise or as otherwise provided by the plan administrator, if a participant's service relationship with Complete Solaria or any of its affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards. The 2023 Plan permits the grant of performance awards that may be settled in stock, cash or other property. Performance awards may be structured so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, Complete Solaria Common Stock.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to New Complete Solaria's Common Stock. The plan administrator will set the number of shares under the stock award (or cash equivalent) and all other terms and conditions of such awards.

Changes to Capital Structure. In the event there is a specified type of change in the capital structure of Complete Solaria, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares subject to the 2023 Plan, (2) the class(es) and maximum number of shares that may be issued pursuant to the exercise of incentive stock options, and (3) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions. The following applies to stock awards under the 2023 Plan in the event of a corporate transaction (as defined in the 2023 Plan), unless otherwise provided in a participant's stock award agreement or other written agreement with Complete Solaria or one of its affiliates or unless otherwise expressly provided by the plan administrator at the time of grant.

In the event of a corporate transaction, any stock awards outstanding under the 2023 Plan may be assumed, or continued by any surviving or acquiring corporation (or its parent company), or new awards may be issued by such surviving or acquiring corporation (or its parent company) in substitution of such awards, and any reacquisition or repurchase rights held by Complete Solaria with respect to the stock award may be assigned to Complete Solaria's successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute such stock awards, then with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full (or, in the case of performance awards with multiple vesting levels depending on the level of performance, vesting will accelerate at 100% of the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by Complete Solaria with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction). Any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by Complete Solaria with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the plan administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the per share amount payable to holders of Complete Solaria Common Stock in connection with the corporate transaction, over (ii) if applicable, any per share exercise price payable by such holder.

Plan Amendment or Termination. Complete Solaria's Board has the authority to amend, suspend, or terminate the 2023 Plan at any time, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require approval of Complete Solaria's stockholders. No ISOs may be granted after the tenth anniversary of the date the Board adopts the 2023 Plan. No stock awards may be granted under the 2023 Plan while it is suspended or after it is terminated.

Complete Solaria 2023 Employee Stock Purchase Plan

In July 2023, our board of directors adopted and our stockholders approved the 2023 Employee Stock Purchase Plan (the "**ESPP**"). The ESPP became effective immediately upon the closing.

Administration. Complete Solaria's Board, or a duly authorized committee thereof, will administer the ESPP.

Limitations. Complete Solaria's employees and the employees of any of its designated affiliates, as designated by Complete Solaria's Board, will be eligible to participate in the ESPP, provided they may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by the administrator: (1) customary employment with Complete Solaria or one of its affiliates for more than 20 hours per week and five or more months per calendar year or (2) continuous employment with Complete Solaria or one of its affiliates for a minimum period of time, not to exceed two years, prior to the first date of an offering. In addition, Complete Solaria's Board may also exclude from participation in the ESPP or any offering, employees who are "highly compensated employees" (within the meaning of Section 423(b)(4)(D) of the Code) or a subset of such highly compensated employees. If this proposal is approved by the stockholders, all the employees of Complete Solaria and its related corporations will be eligible to participate in the ESPP following the Closing. An employee may not be granted rights to purchase stock under the ESPP (a) if such employee immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of all classes of Complete Solaria's capital stock or (b) to the extent that such rights would accrue at a rate that exceeds $25,000 worth of Complete Solaria capital stock for each calendar year that the rights remain outstanding.

The ESPP is intended to qualify as an employee stock purchase plan under Section 423 of the Code. The administrator may specify offerings with a duration of not more than 27 months and may specify one or more shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of Complete Solaria's Common Stock will be purchased for the employees who are participating in the offering. The administrator, in its discretion, will determine the terms of offerings under the ESPP. The administrator has the discretion to structure an offering so that if the fair market value of a share of Complete Solaria's stock on any purchase date during the offering period is less than or equal to the fair market value of a share of Complete Solaria's stock on the first day of the offering period, then that offering will terminate immediately, and the participants in such terminated offering will be automatically enrolled in a new offering that begins immediately after such purchase date.

A participant may not transfer purchase rights under the ESPP other than by will, the laws of descent and distribution, or as otherwise provided under the ESPP.

Payroll Deductions. The ESPP permits participants to purchase shares of Complete Solaria Common Stock through payroll deductions. Unless otherwise determined by the administrator, the purchase price of the shares will be 85% of the lower of the fair market value of Complete Solaria Common Stock on the first day of an offering or on the date of purchase. Participants may end their participation at any time during an offering and will be paid their accrued contributions that have not yet been used to purchase shares, without interest. Participation ends automatically upon termination of employment with Complete Solaria and its related corporations.

Withdrawal. Participants may withdraw from an offering by delivering a withdrawal form to Complete Solaria and terminating their contributions. Such withdrawal may be elected at any time prior to the end of an offering, except as otherwise provided by the Plan Administrator. Upon such withdrawal, Complete Solaria will distribute to the employee his or her accumulated but unused contributions without interest, and such employee's right to participate in that offering will terminate. However, an employee's withdrawal from an offering does not affect such employee's eligibility to participate in any other offerings under the ESPP.

Termination of Employment. A participant's rights under any offering under the ESPP will terminate immediately if the participant either (i) is no longer employed by Complete Solaria or any of its parent or subsidiary companies (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. In such event, Complete Solaria will distribute to the participant his or her accumulated but unused contributions, without interest.

Corporate Transactions. In the event of certain specified significant corporate transactions, such as a merger or change in control, a successor corporation may assume, continue, or substitute each outstanding purchase right. If the successor corporation does not assume, continue, or substitute for the outstanding purchase rights, the offering in progress will be shortened and the participants' accumulated contributions will be used to purchase shares of Complete Solaria Common Stock within ten business days (or such other period specified by the plan administrator) prior to the corporate transaction, and the participants' purchase rights will terminate immediately thereafter.

Amendment and Termination. Complete Solaria's Board has the authority to amend, suspend, or terminate the ESPP, at any time and for any reason, provided certain types of amendments will require the approval of Complete Solaria's stockholders. Any benefits, privileges, entitlements and obligations under any outstanding purchase rights granted before an amendment, suspension or termination of the ESPP will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such purchase rights were granted, (ii) as necessary to facilitate compliance with any laws, listing requirements, or governmental regulations, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. The ESPP will remain in effect until terminated by Complete Solaria's Board in accordance with the terms of the ESPP.

Complete Solaria 2022 Stock Plan

Complete Solaria's board of directors adopted, and Complete Solaria's stockholders approved, the 2022 Plan in October 2022 in connection with the Required Transaction. The 2022 Plan amends and restates Complete Solar's 2021 Stock Plan.

Stock Awards. The 2022 Plan provides for the grant of incentive stock options ("**ISOs**") and nonstatutory stock options to purchase shares of Complete Solaria common stock and restricted stock awards (collectively, "**stock awards**"). ISOs may be granted only to Complete Solaria employees and the employees of any parent corporation or subsidiary corporation. All other awards may be granted to Complete Solaria employees, non-employee directors and consultants and the employees and consultants of Complete Solaria affiliates. Complete Solaria has granted stock options and restricted stock awards under the 2022 Plan. As of December 31, 2022, 1,413,851 shares of Complete Solaria common stock were issuable pursuant to outstanding options, restricted stock awards, and other purchase rights and 918,55 shares of Complete Solaria common stock were available for future issuance under the 2022 Plan.

The 2022 Plan will terminate when the 2023 Plan becomes effective upon the consummation of the Business Combination. However, any outstanding awards granted under the 2022 Plan will remain outstanding, subject to the terms of Complete Solaria's 2022 Plan and award agreements, until such outstanding options are exercised or until any awards terminate or expire by their terms.

If a stock award granted under the 2022 Plan expires or otherwise terminates without being exercised in full, or is settled in cash, the shares of Complete Solaria common stock not acquired pursuant to the stock award again will become available for subsequent issuance under the 2022 Plan (in the event that the 2023 Plan does not become effective as described in the preceding paragraph). In addition, the following types of shares of Complete Solaria common stock under the 2022 Plan may become available for the grant of new stock awards under the 2022 Plan: (1) shares that are forfeited to or repurchased by Complete Solaria prior to becoming fully vested; (2) shares retained to satisfy income or employment withholding taxes; (3) shares retained to pay the exercise or purchase price of a stock award; or (4) shares surrendered pursuant to an option exchange program.

Administration. Complete Solaria's board of directors, or a duly authorized committee thereof, has the authority to administer the 2022 Plan. Complete Solaria's board of directors may also delegate to one or more officers the authority to (1) designate employees (other than other officers or directors) to be recipients of certain stock awards, and (2) grant stock awards to such individuals within parameters specified by the Board. Subject to the terms of the 2022 Plan, the plan administrator determines the award recipients, dates of grant, the numbers and types of stock awards to be granted and the applicable fair market value and the provisions of the stock awards, including the period of their exercisability, the vesting schedule applicable to a stock award and any repurchase rights that may apply. The plan administrator has the authority to modify outstanding awards, including reducing the exercise, purchase or strike price of any outstanding stock award, canceling any outstanding stock award in exchange for new stock awards, cash or other consideration or taking any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any adversely affected participant.

Stock Options. ISOs and NSOs are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for a stock option, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of Complete Solaria common stock on the date of grant. Options granted under the 2022 Plan vest at the rate specified by the plan administrator.

The plan administrator determines the term of stock options granted under the 2022 Plan, up to a maximum of ten years. Unless the terms of an optionholder's stock option agreement provide otherwise, if an optionholder's service relationship with us, or any of Complete Solaria's affiliates, ceases for any reason other than disability, death or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. The option term may be extended in the event that the exercise of the option following such a termination of service is prohibited by applicable securities laws. If an optionholder's service relationship with Complete Solaria or any of its affiliates ceases due to disability or death, or an optionholder dies within 3 months following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months following such disability or death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include: (1) cash; (2) check; (3) to the extent permitted under applicable laws, a promissory note; (4) cancellation of indebtedness; (5) other previously owned Complete Solaria shares; (6) a cashless exercise; (7) such other consideration and method of payment permitted under applicable laws; or (8) any combination of the foregoing methods of payment.

Tax Limitations on Incentive Stock Options. The aggregate fair market value, determined at the time of grant, of Complete Solaria common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all Complete Solaria stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of the total combined voting power of Complete Solaria or that of any of its affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the ISO does not exceed five years from the date of grant.

Incentive Stock Option Limit. The maximum number of shares of Complete Solaria common stock that may be issued upon the exercise of ISOs under the 2022 Plan is 6,677,960 shares plus, to the extent permitted by applicable law, any shares that again become available for issuance under the 2022 Plan.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. The permissible consideration for restricted stock awards are the same as apply to stock options. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in Complete Solaria's favor in accordance with a vesting schedule to be determined by the plan administrator. A restricted stock award may be transferred only upon such terms and conditions as set by the plan administrator. Except as otherwise provided in the applicable award agreement, restricted stock awards that have not vested may be forfeited or repurchased by Complete Solaria upon the participant's cessation of continuous service for any reason.

Changes to Capital Structure. In the event that there is a specified type of change in Complete Solaria's capital structure, including without limitation a stock split or recapitalization, extraordinary divided payable in a form other than shares in an amount that has a material effect on the fair market value of the common stock, or any increase or decrease in the number of issued shares effected without receipt of consideration by Complete Solaria, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2022 Plan, and (2) the class and number of shares and price per share of stock (including any repurchase price per share) subject to outstanding stock awards.

Corporate Transactions. The 2022 Plan provides that in the event of certain specified significant corporate transactions, unless otherwise provided in an award agreement or other written agreement between Complete Solaria and the award holder, each outstanding award (vested or unvested) will be treated as the plan administrator determines, including (without limitation) taking one or more of the following actions with respect to each stock award, contingent upon the closing or completion of the transaction: (1) arranging for the assumption, continuation or substitution of the stock award by a successor corporation, (2) arranging for the assignment of any reacquisition or repurchase rights held by Complete Solaria in respect of Complete Solaria common stock issued pursuant to the stock award to a successor corporation, or (3) canceling the stock award in exchange for a cash payment, or no payment, as determined by the plan administrator (including a payment equal to the excess, if any, of the fair market value of the shares as of the closing date of such corporate transaction over any exercise or purchase price payable by the holder (which payment may be delayed to the same extent that payment of consideration to the holders of Complete Solaria common stock in connection with the transaction is delayed as a result of any escrow, holdback, earnout or similar contingencies). The plan administrator is not obligated to treat all stock awards or portions thereof in the same manner, and the plan administrator may take different actions with respect to the vested and unvested portions of a stock award.

Under the 2022 Plan, a significant corporate transaction is generally the consummation of (1) a transfer of all or substantially all of Complete Solaria's assets, (2) the consummation of a transaction, or series of related transactions, in which any person becomes the beneficial owners of more than 50% of Complete Solaria's then-outstanding capital stock, or (3) a merger, consolidation or other capital reorganization or business combination transaction of Complete Solaria with our into another corporation, entity or person .

Transferability. A participant generally may not transfer stock awards under the 2022 Plan other than by will, the laws of descent and distribution or as otherwise provided under the 2022 Plan.

Amendment and Termination. Complete Solaria's board of directors has the authority to amend, suspend or terminate the 2022 Plan, provided that, with certain exceptions, such action does not impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of Complete Solaria's stockholders. Unless terminated sooner by Complete Solaria's board of directors, the 2022 Plan will automatically terminate in October, 2032. No stock awards may be granted under the 2022 Plan while it is suspended or terminated.

Complete Solar 2011 Stock Plan

Complete Solar's board of directors adopted the 2011 Plan in January 2011 and was amended from to time by Complete Solar's board of directors and its stockholders. The 2011 Plan was terminated in November, 2021 in connection with Complete Solaria's adoption of the 2022 Plan, and no new awards may be granted under it. The 2011 Plan was assumed by Complete Solaria in connection with the Required Transaction. Outstanding awards granted under the 2011 Plan remain outstanding, subject to the terms of the 2011 Plan and award agreements, until such outstanding options are exercised or terminate or expire by their terms. As of December 31, 2022, options to purchase 3,542,418 shares of Complete Solaria's common stock were outstanding under the 2011 Plan.

Plan Administration. Complete Solaria's board of directors or a duly authorized committee of the board of directors administers the 2011 Plan and the awards granted under it.

Capitalization Adjustments. In the event that any change is made in, or other events occur with respect to, our common stock subject to the 2011 Plan or any stock award, such as certain mergers, consolidations, reorganizations, recapitalizations, dividends, stock splits, or other similar transactions, appropriate adjustments will be made to the classes, number of shares subject to, and price per share and repurchase price, if applicable, of any outstanding stock awards.

Corporate Transactions. In the event of a sale of all or substantially all of our assets or our merger, consolidation or other capital reorganization or business combination transaction with or into another corporation, entity or person, our 2011 Plan provides that any surviving or acquiring corporation (or parent thereof) may assume or substitute such outstanding awards and any reacquisition or repurchase rights may be assigned to such surviving or acquiring corporation (or parent thereof), or such awards may be terminated in exchange for a payment of cash, securities and/or other property equal to the excess of the fair market value of the portion of the stock subject to such awards vested and exercisable as of immediately prior to the consummation of such corporate transaction. If the surviving or acquiring corporation (or parent thereof) does not assume or substitute outstanding awards in the corporate transaction, or exchange such awards for a payment, then each such outstanding award shall terminate upon consummation of the corporate transaction.

Change in Control. In the event of a change in control (as defined in the 2011 Plan), a stock award may be subject to additional acceleration of vesting and exercisability upon or after a change in control, as may be provided in the stock award agreement or in any other written agreement between us and a participant. In the absence of such a provision, no such acceleration will occur.

Amendment of Awards. The plan administrator has the authority to modify outstanding stock awards under our 2011 Plan; provided that no such amendment or modification may impair the rights of any participant with respect to awards granted prior to such action without such participant's written consent.

Solaria 2016 Stock Plan

Solaria's board of directors adopted, and Solaria's stockholders approved, the 2016 Plan, in May 2016 and July 2016, respectively. Complete Solaria assumed the 2016 Plan in connection with the Required Transaction. The 2016 Plan was terminated in November 2022 in connection with the Required Transaction, and no new awards may be granted under it. Outstanding awards granted under the 2016 Plan remain outstanding, subject to the terms of the 2016 Plan and award agreements, until such outstanding options are exercised or terminate or expire by their terms. As of December 31, 2022, options to purchase 34,212 shares of Complete Solaria's common stock were outstanding under the 2016 Plan.

Plan Administration. Complete Solaria's board of directors or a duly authorized committee administers the 2016 Plan and the awards granted under it.

Capitalization Adjustments. In the event that any change is made in, or other events occur with respect to, Complete Solaria's common stock subject to the 2016 Plan or any stock award, such as certain mergers, consolidations, reorganizations, recapitalizations, dividends, stock splits, or other similar transactions, appropriate adjustments will be made to the classes, number of shares subject to, and the price per share, if applicable, of any outstanding stock awards.

Change in Control. In the event of a Change in Control (as defined in the 2016 Plan), our 2016 Plan provides that unless otherwise provided in a written agreement between us and any participant or unless otherwise expressly provided by the board of directors at the time of grant of an award, any surviving or acquiring corporation (or parent thereof) may assume, continue or substitute such outstanding awards and any reacquisition or repurchase rights may be assigned to such surviving or acquiring corporation (or parent thereof). If the surviving or acquiring corporation (or parent thereof) does not assume, continue or substitute outstanding awards in the corporate transaction, then the board of directors may provide for the accelerated vesting (in whole or in part) of any or all awards or may cancel any award for such consideration, if any, as the board of directors may consider appropriate.

Amendment of Awards. The plan administrator has the authority to modify outstanding stock awards under our 2016 Plan; provided that no such amendment or modification may impair the rights of any participant with respect to awards granted prior to such action without such participant's written consent.

Solaria 2006 Stock Plan

Solaria's board of directors adopted, and Solaria's stockholders approved, the 2006 Plan, in February 2006 and August 2006, respectively, and it was amended and restated from to time by Solaria's board of directors and its stockholders. The 2006 Plan was terminated in February 2016 in connection with Solaria's adoption of the 2016 Plan, and no new awards may be granted under it. Complete Solaria assumed the outstanding awards granted pursuant to the 2006 Plan in connection with the Required Transaction. Outstanding awards granted under the 2006 Plan remain outstanding, subject to the terms of the 2006 Plan and award agreements, until such outstanding options are exercised or terminate or expire by their terms. As of December 31, 2022, options to purchase 34,212 shares of Complete Solaria's common stock were outstanding under the 2006 Plan.

Plan Administration. Complete Solaria's board of directors or a duly authorized committee administers the 2006 Plan and the awards granted under it.

Capitalization Adjustments. In the event that any change is made in, or other events occur with respect to, our common stock subject to the 2006 Plan or any stock award, such as certain mergers, consolidations, reorganizations, recapitalizations, dividends, stock splits, or other similar transactions affecting the shares subject to the 2006 Plan, appropriate adjustments will be made to the class and number of shares subject to, and the price per share, if applicable, of any outstanding stock awards.

Change in Control. In the event of a change in control (as defined in the 2006 Plan), our 2006 Plan provides that any successor corporation (or parent thereof) will assume or substitute such outstanding awards and any reacquisition or repurchase rights may be assigned to such surviving or acquiring corporation (or parent thereof). If the surviving or acquiring corporation (or parent thereof) does not assume or substitute outstanding awards in the corporate transaction, then the vesting of outstanding awards held by participants will accelerate in full and any repurchase rights held by us with respect to such awards will lapse, contingent upon the effectiveness of such transaction. Notwithstanding the foregoing, to the extent that stock awards will terminate if not exercised prior to the effective time of a corporate transaction, our board may provide that such awards will be canceled for a payment equal to the excess, if any, of the value of the property the holder would have received upon exercise of such award over any exercise price payable.

In addition, with respect to awards (and, if applicable, shares of restricted stock acquired pursuant to such awards) granted to non-employee directors that are assumed or substituted for, if on or following the date of such assumption or substitution such individual's status as a director is involuntarily terminated, such individual shall fully vest in and have the right to exercise awards as to all of the shares subject thereto.

Also, with respect to awards (and, if applicable, shares of restricted stock acquired pursuant to such awards) granted to participants that are assumed or substituted for, if either (x) such participant remains continuously employed by us or our successor through the one-year anniversary of such change in control or (y) such participant's employment is involuntarily terminated without cause (as such term is defined in the 2006 Plan), or such participant's duties are material diminished, in either case at any time prior to the one-year anniversary of such change in control, such individual will vest into such awards on an accelerated basis as if such individual had provided an additional 12 months of continuous service, such individual shall fully vest in and have the right to exercise awards as to all of the shares subject thereto.

Amendment of Awards. The plan administrator has the authority to modify outstanding stock awards under our 2006 Plan; provided that no such amendment or modification may impair the rights of any participant with respect to awards granted prior to such action without such participant's written consent.

Health and Welfare Benefits

Complete Solaria provides benefits to its named executive officers on the same basis as provided to all of its employees, including health, dental and vision insurance; life and disability insurance; and a tax-qualified Section 401(k) plan. Complete Solaria does not maintain any executive-specific benefit or perquisite programs.

Rule 10b5-1 Sales Plans

Complete Solaria's directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The director or executive officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Complete Solaria's directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information, subject to compliance with the terms of our insider trading policy.

Emerging Growth Company Status

Complete Solaria is an "emerging growth company," as defined in the JOBS Act. As an emerging growth company it is exempt from certain requirements related to executive compensation, including the requirements to hold a nonbinding advisory vote on executive compensation and to provide information relating to the ratio of total compensation of its chief executive officer to the median of the annual total compensation of all of its employees, each as required by the Investor Protection and Securities Reform Act of 2010, which is part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of shares of our common stock as of January 31, 2024 by:

- each person known to be the beneficial owner of more than 5% of the outstanding shares of common stock;
- each executive officer and director; and
- all executive officers and directors of Complete Solaria as a group.

The SEC has defined "beneficial ownership" of a security to mean the possession, directly or indirectly, of voting power and/or investment power over such security. A stockholder is also deemed to be, as of any date, the beneficial owner of all securities that such stockholder has the right to acquire within 60 days after that date through (a) the exercise of any option, warrant or right, (b) the conversion of a security, (c) the power to revoke a trust, discretionary account or similar arrangement, or (d) the automatic termination of a trust, discretionary account or similar arrangement. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, ordinary shares subject to options or other rights (as set forth above) held by that person that are currently exercisable, or will become exercisable within 60 days, are deemed outstanding, while such shares are not deemed outstanding for purposes of computing percentage ownership of any other person.

This table is based upon information supplied by officers, directors and principal stockholders and Schedules 13G or 13D filed with the SEC. Unless otherwise indicated in the footnotes to this table and subject to community property laws where applicable, we believe that all persons named in the table have sole voting and investment power with respect to all shares of our common stock beneficially owned by them. Applicable percentages are based on 45,290,553 shares of common stock outstanding as of January 31, 2024, adjusted as required by rules promulgated by the SEC.

Name and Address of Beneficial Owner(1)	Number of Shares	Percentage of Common Stock Outstanding
5% or Greater Stockholders:		
Ecosystem Integrity Fund II, L.P.(2)	8,399,653	17.6
Thurman J. (T.J.) Rodgers(3)	7,082,187	15.4
Entities affiliated with Edward Zeng(4)	5,523,612	11.3
Entities affiliated with Park West Asset Management LLC(5)	3,518,624	7.7
Entities affiliated with Polar Asset Management Partners Inc.(6)	4,113,506	9.1
Entities Affiliated with Meteora(7)	4,300,000	9.5
Executive Officers and Directors:		
William J. Anderson(8)	1,651,297	3.6
Antonio R. Alvarez(9)	235,804	*
Thurman J. (T.J.) Rodgers(3)	7,082,187	15.4
Devin Whatley(2)	8,339,653	17.6
Tidjane Thiam(10)	3,733,573	7.9
Adam Gishen(11)	908,284	2.0
Brian Wuebbels(12)	44,291	*
Ronald Pasek	—	—
Chris Lundell	—	—
All current directors and executive officers as a group (12 persons)	21,074,431	46.5

* Less than one percent.

(1) Unless otherwise indicated, the business address of each of the directors and executive officers of the Company is c/o Complete Solaria, Inc., 45700 Northport Loop East, Fremont, CA 94538.

(2) Includes (i) 5,832,054 shares held by Ecosystem Integrity Fund II, L.P. of which Mr. Devin Whatley is the managing member of the general partner, (ii) 198,346 shares held by EIF CS SPV LLC and (iii) 2,369,253 shares issuable pursuant to Complete Solaria Warrants exercisable within 60 days of the Closing Date. The business address of each of Ecosystem Integrity Fund II, L.P., EIF CS SPV LLC and Mr. Whatley is 20 Richelle Court, Lafayette, California 94549.

(3) Includes (i) 485,562 shares held by Rodgers Capital, LLC, (ii) 8,842 shares held by Thurman Rodgers, (iii) 5,863,367 shares held by Rodgers Massey Revocable Living Trust and (iv) 724,416 shares issuable pursuant to Complete Solaria Warrants exercisable within 60 days of the Closing Date.

(4) Represents shares held by NextG Tech Limited, an affiliate of Edward Zeng, a director of FACT until the Closing of the Business Combination. Includes (i) 1,909,140 shares of common stock and (ii) 3,614,472 shares issuable pursuant to Complete Solaria Warrants exercisable within 60 days of the Closing Date.

(5) Represents shares held by Park West Asset Management LLC, Park West Investors Master Fund, Limited, Park West Partners International, Limited and Peter S. Park. Park West Asset Management LLC is the investment manager to Park West Investors Master Fund, Limited and Park West Partners International, Limited, and Peter S. Park, through one or more affiliated entities, is the controlling manager of Park West Asset Management LLC. The principal business address is c/o Park West Asset Management LLC, 1 Letterman Drive, Building C, Suite C5-900, San Francisco, CA 94129.

(6) Represents shares held by Polar Multi-Strategy Master Fund, a Cayman Islands exempted company ("PMSMF"). PMSMF is under management by Polar Asset Management Partners Inc. ("PAMPI"). PAMPI serves as investment advisor of the Polar Fund and has control and discretion over the shares held by the Polar Fund. As such, PAMPI may be deemed the beneficial owner of the shares held by the Polar Fund. PAMPI disclaims any beneficial ownership of the reported shares other than to the extent of any pecuniary interest therein. The ultimate natural persons who have voting and dispositive power over the shares held by the Polar Fund are Paul Sabourin and Abdalla Ruken, Co-Chief Investment Officers of PAMPI. The address for Polar Asset Management Partners Inc. is 16 York Street, Suite 2900, Toronto, ON, Canada M5J 0E6.

(7) Represents shares held by Meteora Capital, LLC, a Delaware limited liability company ("Meteora") and Mr. Vik Mittal ("Mr. Mittal"), with respect to the shares of common stock held by certain funds and managed accounts to which Meteora Capital serves as investment manager (collectively, the "Meteora Funds"). Mr. Mittal serves as the Managing Member of Meteora Capital. The address of the business office of each of the Meteora and Mr. Mittal is 840 Park Drive East, Boca Raton, FL 33444.

(8) Includes (i) 453,386 shares of common stock, (ii) 1,056,094 shares issuable pursuant to stock options exercisable within 60 days of the Closing Date and (iii) 141,817 shares issuable pursuant to Complete Solaria Warrants exercisable within 60 days of the Closing Date.

(9) Includes 235,804 shares issuable pursuant to stock options exercisable within 60 days of the Closing Date.

(10) Includes (i) 1,656,348 shares of common stock and (ii) 2,077,225 shares issuable pursuant to Complete Solaria Warrants exercisable within 60 days of the Closing Date.

(11) Includes (i) 390,796 shares of common stock and (ii) 517,488 shares issuable pursuant to Complete Solaria Warrants exercisable within 60 days of the Closing Date.

(12) Includes 44,291 shares issuable pursuant to stock options exercisable within 60 days of the Closing Date.

FACT Related Party Transactions

Private Placement Warrants

On March 2, 2021, simultaneously with the closing of the IPO, FACT completed the private sale of an aggregate of 6,266,667 FACT Private Placement Warrants to the Sponsor at a purchase price of $1.50 per FACT Private Placement Warrant, generating gross proceeds to FACT of $9.4 million.

Each FACT Private Placement Warrant is exercisable for one whole share of Complete Solaria Common Stock at a price of $11.50 per share, subject to adjustment. A portion of the proceeds from the sale of the private placement warrants to the Sponsor was added to the proceeds from the IPO held in the Trust Account. The FACT Private Placement Warrants are non-redeemable for cash and exercisable on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

Sponsor Support Agreement

In connection with the execution of the Business Combination Agreement, FACT entered into a Sponsor Support Agreement with the Sponsor, the parties thereto, including the FACT Initial Shareholders (together, the "**Sponsor Signatories**", and Complete Solaria, pursuant to which the Sponsor Signatories agreed to, among other things:

- vote in favor of the Business Combination Agreement and the transactions contemplated thereby;
- not redeem their FACT Ordinary Shares;
- from the Closing, at each of the first three annual meetings of the stockholders of Complete Solaria vote all of their shares of Complete Solaria Common Stock in favor of Mr. Thiam for election to the board of directors of Complete Solaria; and
- be bound by certain other agreements and covenants related to the Business Combination, including vesting and forfeiture restrictions with respect to certain shares held by the Sponsor.

The Sponsor Support Agreement was entered into as an inducement for FACT and Complete Solaria to enter into the Business Combination Agreement, and consideration was not provided to the Sponsor Signatories in exchange for entering into the Sponsor Support Agreement.

Lock-Up Agreement

At Closing, Complete Solaria, the Sponsor, the Sponsor Key Holders (as defined in the Lock-Up Agreement) and Complete Solaria Key Holders (as defined in the Lock-Up Agreement), entered into the Lock-Up Agreement.

The Lock-Up Agreement contains certain restrictions on transfer with respect to securities of Complete Solaria held by the Sponsor, Sponsor Key Holders and Complete Solaria Key Holders immediately following the Closing (including shares of Complete Solaria Common Stock, Complete Solaria Private Warrants and any shares of Complete Solaria Common Stock issuable upon the exercise, conversion or settlement of derivative securities and promissory notes). Such restrictions began at the Closing and end on the earlier of December 31, 2022 or (x) the completion twelve month anniversary of the IPO. Closing and (y) the date on which the volume weighted average price of Complete Solaria Common Stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any twenty trading days within any thirty consecutive trading day period beginning after the date that is 180 calendar days after the Closing and ending 365 calendar days following the Closing.

In connection with working capital lending arrangements between the Sponsor and third-party investors, certain restrictions on transfer on the Class B Ordinary Shares (or shares into which such Class B Ordinary Shares convert), solely to be transferred by the Sponsor to such investors, were or shall be reduced to the three month anniversary of the Closing.

As of December 31, 2022 and 2021, there was no outstanding amount under the Promissory Note.

Advisory Fees to China Bridge Capital

In May 2021, FACT entered into an agreement with CBC, an affiliate of Edward Zeng, who is a member of the FACT board of directors, pursuant to which CBC agreed to provide advisory and investment banking services to FACT in connection with a potential business combination. Under amendment subsequent agreement, dated June 3, 2022, which supersedes the previous agreement among the parties, FACT agreed to pay CBC a customary advisory fee that would be negotiated at the time of the business combination. Mr. Gishen, on behalf of FACT, Mr. Zeng, in his capacity as a representative of CBC, are holding ongoing negotiations regarding the amount of the advisory fee payable to CBC under its June 2022 letter agreement with FACT. Prior the execution of the Original Business Combination Agreement, the FACT Special Committee and FACT Board approved a potential fee arrangement between FACT and CBC. The June 2022 agreement between FACT and CBC may be terminated by FACT or CBC at any time, with or without cause.

Related Party Loans

In order to finance transaction costs in connection with an intended business combination, the Sponsor, and certain of FACT's officers and directors, loaned FACT funds ("

Working Capital Loans*Private Placement Warrants*

In addition, in order to finance transaction costs in connection On March 2, 2021, simultaneously with the closing of the IPO, FACT completed the private sale of an intended Business Combination, aggregate of 6,266,667 FACT Private Placement Warrants to the Sponsor or an affiliate at a purchase price of the Sponsor, or certain $1.50 per FACT Private Placement Warrant, generating gross proceeds to FACT of the Company's officers and directors, may, but are not obligated $9.4 million.

Each FACT Private Placement Warrant is exercisable for one whole share of Complete Solaria Common Stock at a price of $11.50 per share, subject to loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would repay the Working Capital Loans. In the event that a Business Combination does not close, the Company may use a adjustment. A portion of the working capital held outside proceeds from the Trust Account sale of the private placement warrants to repay the Working Capital Loans but no Sponsor was added to the proceeds from the IPO held in the Trust Account would be used to repay the Working Capital Loans. After giving effect to the Notes described below, up to $675,000 of additional Working Capital Loans may be convertible into Account. The FACT Private Placement Warrants of the post Business Combination entity at are non-redeemable for cash and exercisable on a price of $1.50 per warrant at the option of the lender. Such warrants would be identical to the Private Placement Warrants. Prior to the completion of the initial Business Combination, the Company does not expect to seek loans from parties other than cashless basis so long as they are held by the Sponsor or an affiliate of the Sponsor as the Company does not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in the Company's Trust Account.

On April 1, 2022 and June 6, 2022, the Company issued unsecured promissory notes in the amounts of up to $500,000 and $500,000, respectively, to the Sponsor. On December 14, 2022, the Company issued an unsecured promissory note in the amount of up to $325,000 to Tidjane Thiam, Adam Gishen, Abhishek Bhatia and Edward Zeng (collectively, the "Payees") (such promissory note, together with the unsecured promissory notes issued on April 1, 2022 and June 6, 2022, the "Notes"). The Notes bear no interest and are payable in full upon the earlier to occur of (i) twenty-four (24) months from the closing of the Initial Public Offering (or such later date as may be extended in accordance with the terms of our amended and restated memorandum and articles of association) or (ii) the consummation of the Business Combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action shall be deemed an event of default, in which case the Notes may be accelerated. Prior to the Company's first payment of all or any portion of the principal balance of the Notes in cash, the Sponsor and the Payees, as applicable, have the option to convert all, but not less than all, of the principal balance of the Notes into private placement warrants (the "Conversion Warrants"), each warrant exercisable for one ordinary share of the Company at an exercise price of $1.50 per share. The terms of the Conversion Warrants would be identical to the Private Placement Warrants. The Sponsor and the Payees shall be entitled to certain registration rights relating to the Conversion Warrants. The issuances of the Notes were made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

As of December 31, 2022 and 2021, the Company had an aggregate of $1,225,000 and $0 borrowings, respectively, related to the Notes.

On February 28, 2023, the Company issued an unsecured promissory note in the amount of up to $2,100,000 to the Sponsor, as further described in Note 11.

Administrative Support Service

Commencing on the date of the IPO, the Company agreed to pay the Sponsor up to $10,000 per month for office space and administrative support services. These were paid on a monthly basis via invoices, and there was no amount due under the Administrative Services Agreement as of December 31, 2022. its permitted transferees.

Note 7 — Commitments & Contingencies***Sponsor Support Agreement***

Registration Rights

The holders of the (i) Founder Shares, which were issued in a private placement prior to the closing of the IPO, (ii) Private Placement Warrants, which will be issued in a private placement simultaneously with the closing of the IPO and the Class A ordinary shares underlying such Private Placement Warrants and (iii) Private Placement Warrants that may be issued upon conversion of Working Capital Loans will have registration rights to require the Company to register a sale of any of its securities held by them pursuant to a registration rights agreement. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company registers such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the Company's completion of its initial Business Combination. The Company will bear the expenses incurred in connection with the filing execution of any such registration statements.

Underwriters Agreement

On March 2, 2021, the Company paid a fixed underwriting discount of $6,405,000. Additionally, a deferred underwriting discount of $0.35 per Unit, or $12,075,000 in the aggregate, will be payable to the underwriters from the amounts held in the Trust Account solely in the event that the Company completes an initial Business Combination, subject to the terms of the underwriting agreement. As of October 25, 2022, and November 2, 2022, respectively, J.P. Morgan Securities LLC and Deutsche Bank Securities Inc. have waived their portions of the deferred underwriting fee which is reflected in the consolidated statement of operations and the consolidated statement of changes in shareholders' deficit as a reduction of transaction costs incurred in connection with IPO. Therefore, the deferred underwriting fee was reduced by $9,056,250, of which $271,687 is shown in the consolidated statement of operations as a reduction of transaction costs incurred in connection with the IPO and $8,784,563 is charged to additional paid-in capital in the consolidated statement of changes in shareholders' deficit. As a result of the reductions, the outstanding deferred underwriting fee payable was reduced to $3,018,750.

Business Combination Agreement

On October 3, 2022, the Company entered into a Business Combination Agreement (as amended from time to time, the "Business Combination Agreement"), with Jupiter Merger Sub I Corp., a Delaware corporation and a wholly owned subsidiary of the Company ("First Merger Sub"), Jupiter Merger Sub II LLC, a Delaware limited liability company and a wholly owned subsidiary of the Company ("Second Merger Sub"), Complete Solaria, Inc. (formerly known as Complete Solar Holding Corporation), a Delaware corporation ("Complete Solaria") and The Solaria Corporation, a Delaware corporation ("Solaria").

The Mergers

The Business Combination Agreement provides that, among other things and upon the terms and subject to the conditions thereof, the following transactions will occur (together with the other agreements and transactions contemplated by the Business Combination Agreement, FACT entered into a Sponsor Support Agreement with the "Business Combination"): Sponsor, the parties thereto, including the FACT Initial Shareholders (together, the "**Sponsor Signatories**", and Complete Solaria, pursuant to which the Sponsor Signatories agreed to, among other things:

- at the closingvote in favor of the transactions contemplated by the Business Combination Agreement (the "Closing"), upon and the terms and subject to transactions contemplated thereby;
- not redeem their FACT Ordinary Shares;
- from the conditions thereof, and in accordance with the Delaware General Corporation Law, as amended (the "DGCL"), (i) First Merger Sub will merge with and into Complete Solaria, with Complete Solaria surviving as a wholly owned subsidiary Closing, at each of the Company, (ii) immediately thereafter and as part first three annual meetings of the same overall transaction, Complete Solaria will merge with and into Second Merger Sub, with Second Merger Sub surviving as a wholly owned subsidiary of the Company, and (iii) immediately after the consummation of the Second Merger and as part of the same overall transaction, Solaria will merge with and into a newly formed Delaware limited liability company and wholly-owned subsidiary of the Company ("Third Merger Sub"), with Third Merger Sub surviving as a wholly-owned subsidiary of the Company (the "Additional Merger," and together with the First Merger and the Second Merger, the "Mergers");
- at the Closing, all outstanding shares of capital stock stockholders of Complete Solaria (subject to certain restrictions) and vote all options and warrants to acquire of their shares of capital stock of Complete Solaria will convert into Common Stock in favor of Mr. Thiam for election to the right to receive shares board of common stock, par value $0.0001 per share, directors of the Company ("Freedom Common Stock") or comparable equity awards that are settled or are exercisable for shares of Freedom Common Stock; Complete Solaria; and
- atbe bound by certain other agreements and covenants related to the Closing, Business Combination, including vesting and forfeiture restrictions with respect to certain shares held by the Company will be renamed "Complete Solaria, Inc." Sponsor.

On October 2, 2022 The Sponsor Support Agreement was entered into as an inducement for FACT and October 3, 2022, respectively, a special committee (the "Freedom Special Committee") of the Board of Directors of the Company (the "Freedom Board") and the Freedom Board have (i) approved Complete Solaria to enter into the Business Combination Agreement, and consideration was not provided to the Business Combination and (ii) resolved to recommend that Sponsor Signatories in exchange for entering into the shareholders of the Company approve the Business Combination Agreement and the Business Combination. Sponsor Support Agreement.

Lock-Up Agreement

First Amendment to the Business Combination Agreement

On December 26, 2022, the Company, At Closing, Complete Solaria, First Merger Sub and Second Merger Sub entered into a letter agreement (the "First Amendment") amending the Business Combination Agreement, dated as of October 3, 2022, by and among Sponsor, the Company, Complete Solaria, First Merger Sub and Second Merger Sub.

The Amendment deletes the following provisions in the Business Combination Agreement:

- The condition to the obligation of Complete Solaria to consummate the Business Combination that there be, as of the closing of the Business Combination (the "Closing"), at least $100,000,000 in Available Acquiror Cash (as such term is defined in the Business Combination Agreement);
- The obligation of each of the Company and Complete Solaria to use reasonable best efforts to cause the Available Acquiror Cash to equal or exceed $100,000,000 as of immediately prior to the Closing;
- The right of Complete Solaria to terminate the Business Combination Agreement if:
  - Complete Solaria has not consummated the issuances of convertible note investments in Complete Solaria for an aggregate purchase price of at least $10,000,000 on or before January 16, 2023; or
  - at a meeting of shareholders of the Company to extend the deadline by which the Company is required to consummate the Business Combination under its organizational documents, a number of shareholders of the Company elect to redeem their ordinary shares such that the amount remaining in the Company's trust account after processing such redemptions, when taken together with the amounts included in prongs (ii), (iii), (iv) and (v) of the definition of Available Acquiror Cash (as described above) is less than $100 million;
- The obligation of the Company and Complete Solaria to make termination payments in certain circumstances.

Second Amendment to the Business Combination Agreement

On January 17, 2023, the Company, Complete Solaria, First Merger Sub and Second Merger Sub entered into that certain Second Amendment to Business Combination Agreement (the "Second Amendment") amending the Business Combination Agreement, dated as of October 3, 2022, by and among the Company, Complete Solaria, First Merger Sub and Second Merger Sub, as amended by the First Amendment.

The Second Amendment provides that, if the Company and Complete Solaria determine in good faith by January 1, 2023 that it is probable that the Business Combination will be consummated after March 1, 2023, the Company will be required to prepare (with the reasonable cooperation of Complete Solaria) and file with the SEC a proxy statement pursuant to which it will seek the approval of its shareholders for proposals to amend the Company's organizational documents to extend the time period for the Company to consummate its initial business combination for (x) up to an additional six (6) months, from March 2, 2023 to September 2, 2023 (the original Business Combination Agreement provided for an extension from March 1, 2023 to September 2, 2023) or (y) such other period of time as the Company and Complete Solaria may mutually agree (the original Business Combination Agreement contemplated no such prong (y)). In addition, the Second Amendment amends the Business Combination Agreement by changing the latest permitted Agreement End Date Sponsor Key Holders (as defined in the Business Combination Lock-Up Agreement) from September 1, 2023 to September 2, 2023. and Complete Solaria Key Holders (as defined in the Lock-Up Agreement), entered into the Lock-Up Agreement.

Note 8 — Shareholders' Deficit

Preference shares — The Company is authorized Lock-Up Agreement contains certain restrictions on transfer with respect to issue a total securities of 1,000,000 preference shares at par value of $0.0001 each. At December 31, 2022 and 2021, there were no preference shares issued or outstanding.

Class A Ordinary shares — The Company is authorized to issue a total of 200,000,000 Class A ordinary shares at par value of $0.0001 each. At December 31, 2022 and 2021, there were 34,500,000 Class A ordinary shares outstanding, all of which is subject to possible redemption.

Class B Ordinary shares — The Company is authorized to issue a total of 20,000,000 Class B ordinary shares at par value of $0.0001 each. At December 31, 2022 and 2021, there were 8,625,000 Class B ordinary shares issued and outstanding, respectively.

On December 31, 2020, Complete Solaria held by the Sponsor, paid $25,000, or approximately $0.003 per share, to cover certain offering costs in consideration for 7,187,500 Class B ordinary shares, par value $0.0001 per share. On February 25, 2021, the Company effected a share dividend whereby the Company issued 1,437,500 Class B ordinary shares, resulting in an aggregate of 8,625,000 Class B ordinary shares outstanding. All share Sponsor Key Holders and per-share amounts have been retroactively restated to reflect the share dividend.

Complete Solaria Key Holders of the Class A ordinary shares and holders of the Class B ordinary shares will vote together as a single class on all matters submitted to a vote of the Company's shareholders, except as required by law; provided that only holders of Class B ordinary shares will have the right to appoint and remove directors in any general meeting held prior to or in connection with the completion of an initial Business Combination. Unless specified in the Company's amended and restated memorandum and articles of association, or as required by applicable provisions of the Companies Act or applicable stock exchange rules, the affirmative vote of a majority of the Company's ordinary shares that are voted is required to approve any such matter voted on by its shareholders.

The Class B ordinary shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation Closing (including shares of Complete Solaria Common Stock, Complete Solaria Private Warrants and any shares of Complete Solaria Common Stock issuable upon the exercise, conversion or settlement of derivative securities and promissory notes). Such restrictions began at the Closing and end on the earlier of (x) the twelve month anniversary of the initial Business Combination on a one-for-one basis, subject to adjustment for share sub-divisions, share capitalizations, reorganizations, recapitalizations Closing and the like, and subject to further adjustment as provided herein. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with the initial Business Combination, the number of Class A ordinary shares issuable upon conversion of all Founder Shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Class A ordinary shares by Public Shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, officers or directors upon conversion of Working Capital Loans; provided that such conversion of Founder Shares will never occur on a less than one-for-one basis.

Note 9 — Warrants

The Public Warrants will become exercisable at $11.50 per share on the later of one year from the closing of the IPO and 30 days after the completion of the initial Business Combination; provided in each case that the Company has an effective registration statement under the Securities Act covering the Class A ordinary shares issuable upon exercise of the warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their warrants on a cashless basis under the circumstances specified in the warrant agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. The warrants will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation.

The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of the initial Business Combination, it will use commercially reasonable efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Class A ordinary shares issuable upon exercise of the warrants. The Company will use its commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the Class A ordinary shares issuable upon exercise of the warrants is not effective by the 60th day after the closing of the initial Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Company's Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, it will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, it will use its commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering each such warrant for that number of Class A ordinary shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of Class A ordinary shares underlying the warrants, multiplied by the excess of the "fair market value" (defined below) less the exercise price of the warrants by (y) the fair market value and (B) 0.361. The "fair market value" as used in this paragraph shall mean date on which the volume weighted average price of the Class A ordinary shares for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

The exercise price and number of shares issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend or recapitalization, reorganization, merger or consolidation. In addition, if (x) the Company issues additional Class A ordinary shares or equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than $9.20 per Class A ordinary share (with such issue price or effective issue price to be determined in good faith by the Company's board of directors and in the case of any such issuance to the Company's Sponsors or their affiliates, without taking into account any Founder Shares held by the Company's initial shareholders or such affiliates, as applicable, prior to such issuance (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the initial Business Combination on the date of the completion of the initial Business Combination (net of redemptions), and (z) the volume-weighted average trading price of the Company's Class A ordinary shares during the 20 trading day period starting on the trading day prior to the day on which the Company consummates its initial Business Combination (such price, the "Market Value") is below $9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the $10.00 and $18.00 per share redemption trigger prices described below under "Redemption of warrants when the price per Class A ordinary share equals or exceeds $10.00" and "Redemption of warrants when the price per Class A ordinary share equals or exceeds $18.00" will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively.

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds $18.00

Once the warrants become exercisable, the Company may redeem the outstanding warrants (except with respect to the Private Placement Warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption (the "30-day redemption period") to each warrant holder; and
- if, and only if, the last reported sale price of the Class A ordinary shares for any 20 trading days within a 30-trading day period ending three business days before the Company sends to the notice of redemption to the warrant holders (the "Reference Value") equals or exceeds $18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like).

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds $10.00

Once the warrants become exercisable, the Company may redeem the outstanding warrants:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to an agreed table based on the redemption date and the "fair market value" of the Class A ordinary shares;
- if, and only if, the Reference Value equals or exceeds $10.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like); and
- if the Reference Value is less than $18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) the Private Placement Warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

Note 10 — Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022 and 2021 and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description	December 31, 2022	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments held in trust account- U.S. Treasury Securities	349,927,313	349,927,313	—	—
Total Investments held in Trust Account	$ 349,927,313	$ 349,927,313	$ —	$ —
Warrant liabilities – Public warrants	$ 1,725,000		$ 1,725,000	$ —
Warrant liabilities – Private warrants	1,253,333	—	—	1,253,333
Convertible Note – April 1, 2022	338,200	—	—	338,200
Convertible Note – June 6, 2022	338,200	—	—	338,200
Convertible Note – December 14, 2022	152,200	—	—	152,200
Total Warrant liabilities	$ 3,806,933		$ 1,725,000	$ 2,081,933

For the year ended December 31, 2022, as a result of the recent decline in trading volume within the period, the public warrants were transferred to and are currently classified as Level 2 securities.

Description	December 31, 2021	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments held in trust account- U.S. Money Market Fund	$ 484	$ 484	$ —	$ —
Investments held in trust account- U.S. Treasury Securities	345,105,197	345,105,197	—	—
Total Investments held in Trust Account	$ 345,105,681	$ 345,105,681	$ —	$ —
Warrant liabilities – Public warrants	$ 4,916,250	$ 4,916,250	$ —	$ —
Warrant liabilities – Private warrants	3,572,000	—	—	3,572,000
Total Warrant liabilities	$ 8,488,250	$ 4,916,250	$ —	$ 3,572,000

The Company utilized a Monte Carlo simulation model for the initial valuation of the Public Warrants. The subsequent measurement of the Public Warrants as of December 31, 2022 and 2021, is classified as Level 1 due to the use of an observable market quote in an active market.

The Company utilizes a binomial lattice simulation model to value the private placement warrants and the convertible promissory notes at each reporting period, with changes in fair value recognized in the consolidated statements of operations. The estimated fair value of the warrant liability is determined using Level 3 inputs. Inherent in a binomial options pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its ordinary shares based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero.

The aforementioned warrant liabilities are not subject to qualified hedge accounting.

Transfers to/from Levels 1, 2, and 3 are recognized at the end of the reporting period in which a change in valuation technique or methodology occurs. The value of the securities transferred from a Level 2 measurement to a Level 1 measurement during the year ended December 31, 2022 was $348,810,523. There was a transfer of $1,725,000 from Level 1 to Level 2 in the fair value hierarchy for Public Warrants during the year ended December 31, 2022.

The following table provides quantitative information regarding Level 3 fair value measurements:

	At December 31, 2022	At December 31, 2021
Share price	$ 10.10	$ 9.68
Strike price	$ 11.50	$ 11.50
Term (in years)	0.38	0.50
Volatility	de minimis	10.50%
Risk-free rate	3.98%	1.30%
Dividend yield	0.00%	0.00%

The following table presents the changes in the fair value of warrant liabilities:

	Public	Private Placement	Warrant Liabilities
Fair value as of January 1, 2022	$ 4,916,250	$ 3,572,000	$ 8,488,250
Change in valuation inputs or other assumptions	(3,191,250)	(2,318,667)	(5,509,917)
Fair value as of December 31, 2022	$ 1,725,000	$ 1,253,333	$ 2,978,333

	Public	Private Placement	Warrant Liabilities
Fair value as of January 1, 2021	$ —	$ —	$ —
Initial measurement on March 2, 2021	10,350,000	7,520,000	17,870,000
Change in valuation inputs or other assumptions	(5,433,750)	(3,948,000)	(9,381,750)
Fair value as of December 31, 2021	$ 4,916,250	$ 3,572,000	$ 8,488,250

The Company recognized gains in connection with changes in the fair value of warrant liabilities of $5,509,917 within change in fair value of warrant liabilities in the consolidated statement of operations for the year ended December 31, 2022. The Company recognized gains in connection with changes in the fair value of warrant liabilities of $9,381,750 within change in fair value of warrant liabilities in the consolidated statement of operations for the year ended December 31, 2021.

The following table presents a summary of the changes in the fair value of Level 3 warrant liabilities:

	Private Placement	Public	Total Warrant Liabilities
Fair value as of January 1, 2022	$ 3,572,000	$ —	$ 3,572,000
Change in fair value	(2,318,667)	—	(2,318,667)
Fair value as of December 31, 2022	$ 1,253,333	$ —	$ 1,253,333

	Private Placement	Public	Total Warrant Liabilities
Fair value as of January 1, 2021	$ —	$ —	$ —
Initial measurement on March 2, 2021	7,520,000	10,350,000	17,870,000
Transfer to Level 1	—	(10,350,000)	(10,350,000)
Change in fair value	(3,948,000)	—	(3,948,000)
Fair value as of December 31, 2021	$ 3,572,000	$ —	$ 3,572,000

Note 11 — Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, other than below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the consolidated financial statements.

Second Amendment to the Business Combination Agreement

On January 17, 2023, the Company, Complete Solaria First Merger Sub and Second Merger Sub entered into the Second Amendment amending the Business Combination Agreement, dated as of October 3, 2022, by and among the Company, Complete Solaria, First Merger Sub and Second Merger Sub, as amended by the First Amendment.

The Second Amendment provides that, if the Company and Complete Solaria determine in good faith by January 1, 2023 that it is probable that the Business Combination will be consummated after March 1, 2023, the Company will be required to prepare (with the reasonable cooperation of Complete Solaria) and file with the SEC a proxy statement pursuant to which it will seek the approval of its shareholders for proposals to amend the Company's organizational documents to extend the time period for the Company to consummate its initial business combination for (x) up to an additional six (6) months, from March 2, 2023 to September 2, 2023 (the original Business Combination Agreement provided for an extension from March 1, 2023 to September 2, 2023) or (y) such other period of time as the Company and Complete Solaria may mutually agree (the original Business Combination Agreement contemplated no such prong (y)). In addition, the Second Amendment amends the Business Combination Agreement by changing the latest permitted Agreement End Date (as defined in the Business Combination Agreement) from September 1, 2023 to September 2, 2023.

Amendment to Amended and Restated Memorandum and Articles of Association

On February 28, 2023, Freedom held an extraordinary general meeting of shareholders (the "Extraordinary General Meeting"), at which holders of 35,373,848 ordinary shares, comprised of 26,773,848 Class A ordinary shares and 8,600,000 Class B ordinary shares, were present in person or by proxy, representing approximately 82.02% of the voting power of the 43,125,000 issued and outstanding ordinary shares of Freedom entitled to vote at the Extraordinary General Meeting at the close of business on January 23, 2023, which was the record date (the "Record Date") for the Extraordinary General Meeting (such shares, the "Outstanding Shares"). The Outstanding Shares on the Record Date were comprised of 34,500,000 Class A ordinary shares and 8,625,000 Class B ordinary shares.

At the Extraordinary General Meeting, the shareholders approved, by special resolution, the proposal (the "Extension Amendment Proposal") to amend the amended and restated memorandum and articles of association to extend the date by which Freedom must (i) consummate a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination, which Freedom refers to as its initial business combination, (ii) cease its operations except for the purpose of winding up if it fails to complete such initial business combination, and (iii) redeem all of the Class A ordinary shares, included as part of the units sold in the initial public offering, for an additional three months, from March 2, 2023 to June 2, 2023, and thereafter to up to three (3) times by an additional one month each time (or up to September 2, 2023) (the "Extension Amendment," and such period, as may be extended, the "Combination Period"). The voting results for such proposal were as follows:

For	Against	Abstain
35,047,305	326,543	0

In connection with the Extension Amendment, public shareholders elected to redeem an aggregate of 23,256,504 Class A ordinary shares at a redemption price of $10.21 per share, representing approximately 67.41% of the issued and outstanding Class A ordinary shares, for an aggregate redemption amount of approximately $237,372,952. Following such redemptions, approximately $114,759,374 remained in the trust account and 11,243,496 Class A ordinary shares remain outstanding.

At the Extraordinary General Meeting, the public shareholders also approved the proposal to amend the Investment Management Trust Agreement, dated as of February 25, 2021 (the "Trust Agreement"), by and between Freedom and Continental Common Stock Transfer & Trust Company, as trustee ("Continental"), to reflect the Extension Amendment. The amendment to the Trust Agreement provides that Continental shall commence liquidation of the trust account only and promptly (x) after its receipt of the applicable instruction letter delivered by Freedom in connection with either the consummation of an initial business combination or Freedom's inability to effect an initial business combination within the time frame specified in Freedom's amended and restated memorandum and articles of association or (y) upon the date that is the later of the end of the Combination Period and such later date as may be approved by Freedom's shareholders in accordance with the amended and restated memorandum and articles of association, if the aforementioned termination letter has not been received by Continental prior to such date. The voting results for such proposal were as follows:

For	**Against**	**Abstain**
35,047,305	326,543	0

Promissory Note

On February 28, 2023, the Company issued an unsecured promissory note in the amount of up to $2,100,000 to the Sponsor. The proceeds of such promissory note, $1,600,000 of which was drawn down immediately, $400,000 of which may be drawn down, with the mutual consent of the Company and the Sponsor, if the Company wishes to extend the date by which it will consummate a business combination beyond June 2, 2023, and $100,000 of which may be drawn down on an as-needed basis at the discretion of our sponsor, will be used for general working capital purposes. Such promissory note bears no interest and is payable in full upon the consummation of our business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action shall be deemed an event of default, in which case the promissory note may be accelerated. The promissory note shall be forgiven by the Sponsor if the Company is unable to consummate a business combination within the time frame specified in our amended and restated memorandum and articles of association (as amended from time to time), except to the extent of any funds held outside of the trust account established in connection with our initial public offering. The issuance of the promissory note was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

Exhibit 4.1

Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934, As Amended

The following description sets forth certain material terms and provisions of the securities of Freedom Acquisition I Corp. ("Freedom," "we," "us" or "our") that are registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following description of our securities is not complete and may not contain all the information you should consider before investing in our securities. This description is summarized from, and qualified in its entirety by reference to, our amended and restated memorandum and articles of association and our warrant agreement, which are incorporated herein by reference. The summary below is also qualified by reference to the Companies Act and the common law of the Cayman Islands.

As of December 31, 2022, we had three classes of securities registered under the Exchange Act: our Class A ordinary shares, $0.0001 par value per share ("public shares"); warrants to purchase shares of our Class A ordinary shares; and units consisting of one Class A ordinary share and one-fourth of one redeemable warrant to purchase one Class A ordinary share. In addition, this Description of Securities also contains a description of our Class B ordinary shares, par value $0.0001 per share ("founder shares"), which are not registered pursuant to Section 12 of the Exchange Act but are convertible into shares of the Class A ordinary shares. The description of the founder shares is necessary to understand the material terms of the Class A ordinary shares.

Units

Public Units

Each unit consists of one Class A ordinary share and one-fourth of one redeemable warrant. Each whole warrant entitles the holder thereof to purchase one Class A ordinary share at a price of $11.50 per share. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of the company's Class A ordinary shares. This means only a whole warrant may be exercised at any given time by a warrant holder.

The Class A ordinary shares and warrants began separate trading on April 19, 2021 and holders have the option to continue to hold units or separate their units into the component securities.

Ordinary Shares

Ordinary shareholders of record are entitled to one vote for each share held on all matters to be voted on by shareholders. Holders of Class A ordinary shares and holders of Class B ordinary shares will vote together as a single class on all matters submitted to a vote of our shareholders except as required by law; provided that only holders of Class B ordinary shares will have the right to appoint and remove directors in any general meeting held prior to or in connection

with the completion of our initial business combination, meaning that holders of Class A ordinary shares will not have the right to appoint and remove any directors until after the completion of our initial business combination. Unless specified in our amended and restated memorandum and articles of association, or as required by applicable provisions of the Companies Act or applicable stock exchange rules, the affirmative vote of a majority of our ordinary shares that are voted is required to approve any such matter voted on by our shareholders. Approval of certain actions will require a special resolution under Cayman Islands law, which requires the affirmative vote of a majority of at least two-thirds of the shareholders who attend and vote at a general meeting of the company, and pursuant to our amended and restated memorandum and articles of association; such actions include amending our amended and restated memorandum and articles of association and approving a statutory merger or consolidation with another company. Our board of directors is divided into three classes, each of which will generally serve for a term of three years with only one class of directors being appointed in each year. There is no cumulative voting with respect to the appointment of directors, with the result that the holders of more than 50% of the Class B ordinary shares voted for the appointment of directors can appoint all of the directors prior to our initial business combination. Our shareholders are entitled to receive ratable dividends when, as and if declared by the board of directors out of funds legally available therefor.

Because our amended and restated memorandum and articles of association authorize the issuance of up to 200,000,000 Class A ordinary shares, if we were to enter into a business combination, we may (depending on the terms of such a business combination) be required to increase the number of Class A ordinary shares which we are authorized to issue at the same time as our shareholders vote on the business combination to the extent we seek shareholder approval in connection with our initial business combination. Our board of directors is divided into three classes with only one class of directors being appointed in each year and each class (except for those directors appointed prior to our first annual general meeting) serving a three-year term.

In accordance with the NYSE corporate governance requirements, we are not required to hold an annual general meeting until one year after our first fiscal year end following our listing on the NYSE. There is no requirement under the Companies Act for us to hold annual or extraordinary general meetings to appoint directors. We may not hold an annual general meeting prior to the consummation of our initial business combination. We will provide our public shareholders with the opportunity to redeem all or a portion of their public shares upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account calculated as of two business days prior to the consummation of our initial business combination, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares, subject to the limitations and on the conditions described herein. The amount in the trust account is initially anticipated to be $10.00 per public share. The per-share amount we will distribute to investors who properly redeem their shares will not be reduced by the deferred underwriting commissions we will pay to the underwriters. Our initial shareholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their redemption rights with respect to any founder shares and public shares held by them in connection with the completion of our initial business combination. Unlike some special purpose acquisition companies that hold shareholder votes and conduct proxy solicitations in conjunction with their initial business combinations and provide for related redemptions of public shares for cash upon completion of such initial business combinations even when a vote is not required by law, if a shareholder vote is not required by law and we do not decide to hold a shareholder vote for business or other reasons, we will, pursuant to our amended and restated memorandum and articles of association, conduct the redemptions pursuant to the tender offer rules of the SEC, and file tender offer documents with the SEC prior to completing our initial business combination. Our amended and restated memorandum and articles of association require these tender offer documents to contain substantially the same financial and other information about our initial business combination and the redemption rights as is required under the SEC's proxy rules. If, however, a shareholder approval of the transaction is required by law, or we decide to obtain shareholder approval for business or other reasons, we will, like many special purpose acquisition companies, offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. If we seek shareholder approval, we will complete our initial business combination only if we receive an ordinary resolution under Cayman Islands law, which requires the affirmative vote of a majority of the shareholders who attend and vote at a general meeting of the company. However, the participation of our sponsor, officers, directors, advisors or their affiliates in privately-negotiated transactions, if any, could result in the approval of our initial business combination even if a majority of our public shareholders vote, or indicate their intention to vote, against such initial business combination. For purposes of seeking approval of an ordinary resolution, non-votes will have no effect on the approval of our initial business combination once a quorum is obtained. Our amended and restated memorandum and articles of association require that at least five days' notice will be given of any general meeting.

If we seek shareholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated memorandum and articles of association provide that a public shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from redeeming its shares with respect to more than an aggregate of 15% of the ordinary shares sold in our initial public offering, which we refer to as the "Excess Shares," without our prior consent. However, we would not be restricting our shareholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination. Our shareholders' inability to redeem the Excess Shares will reduce their influence over our ability to complete our initial business combination, and such shareholders could suffer a material loss in their investment if they sell such Excess Shares on the open market. Additionally, such shareholders will not receive redemption distributions with respect to the Excess Shares if we complete our initial business combination. And, as a result, such shareholders will continue to hold that number of shares exceeding 15% and, in order to dispose such shares would be required to sell their shares in open market transactions, potentially at a loss.

If we seek shareholder approval in connection with our initial business combination, our initial shareholders, sponsor, officers and directors have agreed to vote any founder shares and public shares held by them in favor of our initial business combination. As a result, in addition to our initial shareholders' founder shares, we would need 1,309,249, or 11.6%, of the 11,243,496 public shares to be voted in favor of an initial business combination in order to have our initial business combination approved (assuming all outstanding shares are voted). Additionally, each public shareholder may elect to redeem their public shares without voting and, if they do vote, irrespective of whether they vote for or against the proposed transaction.

On February 28, 2023, Freedom held an extraordinary general meeting of shareholders (the "Extraordinary General Meeting"), at which holders of 35,373,848 ordinary shares, comprised of 26,773,848 Class A ordinary shares and 8,600,000 Class B ordinary shares, were present in person or by proxy, representing approximately 82.02% of the voting power of the 43,125,000 issued and outstanding ordinary shares of Freedom entitled to vote at the Extraordinary General Meeting at the close of business on January 23, 2023, which was the record date (the "Record Date") for the Extraordinary General Meeting (such shares, the "Outstanding Shares"). The Outstanding Shares on the Record Date were comprised of 34,500,000 Class A ordinary shares and 8,625,000 Class B ordinary shares.

At the Extraordinary General Meeting, the shareholders approved, by special resolution, the proposal (the "Extension Amendment Proposal") to amend our amended and restated memorandum and articles of association to extend the date by which Freedom must (i) consummate a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination, which Freedom refers to as its initial business combination, (ii) cease its operations except for the purpose of winding up if it fails to complete such initial business combination, and (iii) redeem all of the Class A ordinary shares, included as part of the units sold in the initial public offering, for an additional three months, from March 2, 2023 to June 2, 2023, and thereafter to up to three (3) times by an additional one month each time (or up to September 2, 2023) (the "Extension Amendment," and such period, as may be extended, the "Extension Period").

In connection with the Extension Amendment, shareholders elected to redeem an aggregate of 23,256,504 Class A ordinary shares. Following such redemptions, 11,243,496 Class A ordinary shares remain outstanding.

If we have not completed our initial business combination during the Extension Period, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account (less taxes payable and up to $100,000 of interest income to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, liquidate and dissolve, subject, in each case, to our obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law. Our initial shareholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their rights to liquidating distributions from the trust account with respect to any founder shares held by them if we fail to complete our initial business combination during the Extension Period. However, if our

sponsor or management team acquire public shares after our initial public offering, they will be entitled to liquidating distributions from the trust account with respect to such public shares if we fail to complete our initial business combination within the prescribed time period. In the event of a liquidation, dissolution or winding up of the company after a business combination, our shareholders are entitled to share ratably in all assets remaining available for distribution to them after payment of liabilities and after provision is made for each class of shares, if any, having preference over the ordinary shares. Our shareholders have no preemptive or other subscription rights. There are no sinking fund provisions applicable to the ordinary shares, except that we will provide our public shareholders with the opportunity to redeem their public shares for cash at a per-share price equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares, upon the completion of our initial business combination, subject to the limitations and on the conditions described herein.

Founder Shares

The founder shares are designated as Class B ordinary shares and, except as described below, are identical to the Class A ordinary shares included in the units sold in our initial public offering, and holders of founder shares have the same shareholder rights as public shareholders, except that (i) the founder shares are subject to certain transfer restrictions, as described in more detail below, (ii) the founder shares are entitled to registration rights; (iii) our initial shareholders, sponsor, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to (A) waive their redemption rights with respect to any founder shares and public shares held by them in connection with the completion of our initial business combination, (B) waive their redemption rights with respect to any founder shares and public shares held by them in connection with a shareholder vote to amend our amended and restated memorandum and articles of association (x) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (y) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity, (C) waive their rights to liquidating distributions from the trust account with respect to any founder shares held by them if we fail to complete our initial business combination during the Extension Period, although they will be entitled to liquidating distributions from the trust account with respect to any public shares they hold if we fail to complete our initial business combination within such time period and (D) vote any founder shares and public shares held by them in favor of our initial business combination, (iv) the founder shares are automatically convertible into Class A ordinary shares concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment as described herein and in our amended and restated memorandum and articles of association, and (v) only holders of Class B ordinary shares will have the right to appoint or remove directors in any general meeting held prior to or in connection with the completion of our initial business combination.

The founder shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of our initial business combination on a one-for-one basis, subject to adjustment for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional Class A ordinary shares or equity- linked securities are issued or deemed issued in connection with our initial business combination, the number of Class A ordinary shares issuable upon conversion of all founder shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Class A ordinary shares by public shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities issued or deemed issued, by the Company in connection with the consummation of the initial business combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, deemed issued or to be issued, to any seller in the initial business combination and any private placement warrants issued to our sponsor, officers or directors upon conversion of working capital loans; provided that such conversion of founder shares will never occur on a less than one-for-one basis. The term "equity-linked securities" refers to any debt or equity securities that are convertible, exercisable or exchangeable for our Class A ordinary shares issued in a financing transaction in connection with our initial business combination, including but not limited to a private placement of equity or debt.

With certain limited exceptions, the founder shares are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with our sponsor, each of whom will be subject to the same transfer restrictions) until the earlier of (A) one year after the completion of our initial business combination or earlier if, subsequent to our initial business combination, the last reported sales price of the Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share sub-divisions, share capitalizations, stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 twenty trading days within any 30-trading thirty consecutive trading day period commencing at least 150 beginning after the date that is 180 calendar days after our initial business combination, the Closing and (B) the date ending 365 calendar days following the completion of our initial business combination on which we complete a liquidation, merger, share exchange or other similar transaction that results in all of our shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property. Closing.

Register of Members

Under Cayman Islands law, we must keep a register of members In connection with working capital lending arrangements between the Sponsor and there will third-party investors, certain restrictions on transfer on the Class B Ordinary Shares (or shares into which such Class B Ordinary Shares convert), solely to be entered therein:

- the names and addresses of the members, a statement of the shares held transferred by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member and the voting rights of shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence Sponsor to such investors, were or shall be reduced to the three month anniversary of the matters set out therein (i.e., the register Closing.

Advisory Fees to China Bridge Capital

In May 2021, FACT entered into an agreement with CBC, an affiliate of members will raise a presumption of fact on the matters referred to above unless rebutted) and Edward Zeng, who is a member registered in the register of members will be deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. The shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name. However, there are certain limited circumstances where an application may be made to a Cayman Islands court for a determination on whether the register of members reflects the correct legal position. Further, the Cayman Islands court has the power to order that the register of members

maintained by a company should be rectified where it considers that the register of members does not reflect the correct legal position. If an application for an order for rectification of the register of members were made in respect of our ordinary shares, then the validity of such shares may be subject to re-examination by a Cayman Islands court.

Preferred Shares

Our amended and restated memorandum and articles of association authorize 1,000,000 preferred shares and provide that preferred shares may be issued from time to time in one or more series. Our FACT board of directors, will be authorized to fix the voting rights, if any, designations, powers, preferences, the relative, participating, optional or other special rights and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. Our board of directors will be able to, without shareholder approval, issue preferred shares with voting and other rights that could adversely affect the voting power and other rights of the holders of the ordinary shares and could have anti-takeover effects. The ability of our board of directors to issue preferred shares without shareholder approval could have the effect of delaying, deferring or preventing a change of control of us or the removal of existing management. We have no preferred shares outstanding at the date hereof. Although we do not currently intend to issue any preferred shares, we cannot assure you that we will not do so in the future.

Warrants

Public Shareholders' Warrants

Each whole warrant entitles the registered holder to purchase one Class A ordinary share at a price of $11.50 per share, subject to adjustment as discussed below, at any time commencing on the later of one year from the closing of our initial public offering and 30 days after the completion of our initial business combination, except as described below. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of Class A ordinary shares. This means only a whole warrant may be exercised at a given time by a warrant holder. No fractional warrants will be issued upon separation of the units and only whole warrants will trade. Accordingly, unless you purchase at least four units, you will not be able to receive or trade a whole warrant. The warrants will expire five years after the completion of our initial business combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any Class A ordinary shares pursuant to which CBC agreed to provide advisory and investment banking services to FACT in connection with a potential business combination. Under amendment subsequent agreement, dated June 3, 2022, which supersedes the exercise of previous agreement among the parties, FACT agreed to pay CBC a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the Class A ordinary shares underlying the warrants is then effective and a current prospectus relating thereto is available (or we permit holders to exercise their warrants on a cashless basis under the circumstances specified in the warrant agreement). No warrant will customary advisory fee that would be exercisable and we will not be obligated to issue a Class A ordinary share upon exercise of a warrant unless the Class A ordinary share issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In no event will we be required to net cash settle any warrant. In the event that a registration statement is not effective for the exercised warrants, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the Class A ordinary share underlying such unit.

We have agreed that as soon as practicable, but in no event later than fifteen (15) business days after the closing of our initial business combination, we will use our commercially reasonable efforts to file with the SEC a registration statement covering the issuance, under the Securities Act, of the Class A ordinary shares issuable upon exercise of the warrants. We will use our commercially reasonable efforts to cause the same to become effective within 60 business days following our initial business combination and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the issuance of the Class A ordinary shares issuable upon exercise of the warrants is not effective by the sixtieth (60th) business day after the closing of our initial business combination, warrant holders may, until such time as there is an effective registration statement and during any period when we will have failed to maintain an effective registration statement, exercise warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if our Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, and in the event we do not so elect, we will use our commercially reasonable efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering each such warrant for that number of Class A ordinary shares equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of Class A ordinary shares underlying the warrants, multiplied by the excess of the "fair market value" (as defined below) less the exercise price of the warrants by (y) the fair market value and (B) 0.361 Class A ordinary shares per warrant (subject to adjustment). The "fair market value" as used above shall mean the volume weighted average price of the Class A ordinary shares for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds $18.00

Once the warrants become exercisable, we may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of $0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption (the "30-day redemption period") to each warrant holder; and
- if, and only if, the last reported sale price of the Class A ordinary shares for any 20 trading days within a 30-trading day period ending three business days before we send the notice of redemption to the warrant holders (which we refer to as the "Reference Value") equals or exceeds $18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like and as described under the heading "—Anti-dilution Adjustments" below).

If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. However, we will not redeem the warrants unless an effective registration statement under the Securities Act covering the issuance of the Class A ordinary shares issuable upon exercise of the warrants is effective and a current prospectus relating to those Class A ordinary shares is available throughout the 30-day redemption period.

We have established the last of the redemption criteria discussed above to prevent a redemption call unless there is negotiated at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and we issue a notice business combination. Mr. Gishen, on behalf of redemption of the warrants, each warrant holder will be entitled to exercise FACT, Mr. Zeng, in his her or its warrant prior to the scheduled redemption date. Any such exercise would not be done on a "cashless" basis and would require the exercising warrant holder to pay the exercise price for each warrant being exercised. However, the price of the Class A ordinary shares may fall below the $18.00 redemption trigger price (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like and as described under the heading "—Anti-dilution Adjustments" below) as well as the $11.50 (for whole shares) warrant exercise price after the redemption notice is issued.

Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds $10.00

Once the warrants become exercisable, we may redeem the outstanding warrants:

- in whole and not in part;
- at $0.10 per warrant upon a minimum of 30 days' prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" of our Class A ordinary shares (as defined below);
- if, and only if, the Reference Value (as defined above under "—Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds $18.00") equals or exceeds $10.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like and as described under the heading "—Anti-dilution Adjustments" below); and
- if the Reference Value is less than $18.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like and as described under the heading "—Anti-dilution Adjustments" below) the private placement warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

The numbers in the table below represent the number of Class A ordinary shares that a warrant holder will receive upon such cashless exercise in connection with a redemption by us pursuant to this redemption feature, based on the "fair market value" of our Class A ordinary shares on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for $0.10 per warrant), determined for these purposes based on volume-weighted average price of our Class A ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. We will provide our warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

Pursuant to the warrant agreement, references above to Class A ordinary shares shall include a security other than Class A ordinary shares into which the Class A ordinary shares have been converted or exchanged for in the event we are not the surviving company in our initial business combination.

The numbers in the table below will not be adjusted when determining the number of Class A ordinary shares to be issued upon exercise of the warrants if we are not the surviving entity following our initial business combination.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant or the exercise price of the warrant is adjusted as set forth under the heading "—Anti-dilution Adjustments" below. If the number of shares issuable upon exercise of a warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the exercise price of the warrant after such adjustment and the denominator of which is the price of the warrant immediately prior to such adjustment. In such an event, the number of shares in the table below shall be adjusted by multiplying such share amounts by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. If the exercise price of the warrant is adjusted capacity as a result representative of the fifth paragraph under the heading "—Anti-dilution adjustments" below, the adjusted share prices in the column headings will be multiplied by a fraction, the numerator of which is the higher of the Market Value and the Newly Issued Price as set forth under the heading "—Anti-dilution Adjustments" and the denominator of which is $10.00.

	Fair Market Value of Class A Ordinary Shares								
Redemption Date (period to expiration of warrants)	**≤$10.00**	**$11.00**	**$12.00**	**$13.00**	**$14.00**	**$15.00**	**$16.00**	**$17.00**	**≥$18.00**
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361

6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	—	—	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of Class A ordinary shares to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365 or 366-day year, as applicable. For example, if the volume-weighted average price of our Class A ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $11.00 per share, and at such time there CBC, are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 Class A ordinary shares for each whole warrant.

For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume-weighted average price of our Class A ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is $13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 Class A ordinary shares for each whole warrant. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 Class A ordinary shares per warrant (subject to adjustment).

This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the Class A ordinary shares are trading at or above $10.00 per share, which may be at a time when the trading price of our Class A ordinary shares is below the exercise price of the warrants. We have established this redemption feature to provide us with the flexibility to redeem the warrants without the warrants having to reach the $18.00 per share threshold set forth above under "—Redemption of Warrants When the Price per Class A Ordinary Share Equals or Exceeds $18.00." Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a number of shares for their warrants based on an option pricing model with a fixed volatility input as of the date of our initial public offering. This redemption right provides us with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to our capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. We will be required to pay the applicable redemption price to warrant holders if we choose to exercise this redemption right and it will allow us to quickly proceed with a redemption of the warrants if we determine it is in our best interest to do so. As such, we would redeem the warrants in this manner when we believe it is in our best interest to update our capital structure to remove the warrants and pay the redemption price to the warrant holders. As stated above, we can redeem the warrants when the Class A ordinary shares are trading at a price starting at $10.00, which is below the exercise price of $11.50, because it will provide certainty with respect to our capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If we choose to redeem the warrants when the Class A ordinary shares are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer Class A ordinary shares than they would have received if they had chosen to wait to exercise their warrants for Class A ordinary shares if and when such Class A ordinary shares were trading at a price higher than the exercise price of $11.50.

No fractional Class A ordinary shares will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, we will round down to the nearest whole number of the number of Class A ordinary shares to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the Class A ordinary shares pursuant to the warrant agreement (for instance, if we are not the surviving company in our initial business combination), the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the Class A ordinary shares, the Company (or surviving company) will use its commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

Redemption Procedures. A holder of a warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the Class A ordinary shares outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments. If the number of outstanding Class A ordinary shares is increased by a share capitalization payable in Class A ordinary shares, or by a split-up of ordinary shares or other similar event, then, on the effective date of such share capitalization, split-up or similar event, the number of Class A ordinary shares issuable on exercise of each warrant will be increased in proportion to such increase in the outstanding ordinary shares. A rights offering to holders of ordinary shares entitling holders to purchase Class A ordinary shares at a price less than the "historical fair market value" (as defined below) will be deemed a share capitalization of a number of Class A ordinary shares equal to the product of (i) the number of Class A ordinary shares actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Class A ordinary shares) and (ii) one minus the quotient of (x) the price per Class A ordinary share paid in such rights offering and (y) the historical fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for Class A ordinary shares, in determining the price payable for Class A ordinary shares, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) "historical fair market value" means the volume weighted average price of Class A ordinary shares as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the Class A ordinary shares trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of Class A ordinary shares on account of such Class A ordinary shares (or other securities into which the warrants are convertible), other than (a) as described above, (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the Class A ordinary shares during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed $0.50 (as adjusted for share sub-divisions, share dividends, rights issuances, consolidations, reorganizations, recapitalizations and other similar transactions) but only with respect to holding ongoing negotiations regarding the amount of the aggregate cash dividends or cash distributions equal advisory fee payable to or less than $0.50 per share, (c) to satisfy CBC under its June 2022 letter agreement with FACT. Prior the redemption rights execution of the holders of Class A ordinary shares Original Business Combination Agreement, the FACT Special Committee and FACT Board approved a potential fee arrangement between FACT and CBC. The June 2022 agreement between FACT and CBC may be terminated by FACT or CBC at any time, with or without cause.

Related Party Loans

In order to finance transaction costs in connection with a proposed initial an intended business combination, or the Sponsor, and certain amendments to our amended of FACT's officers and restated memorandum and articles of association, or (d) in connection with the redemption of our public shares upon our failure to complete our initial business combination, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each Class A ordinary share in respect of such event.

If the number of outstanding Class A ordinary shares is decreased by a consolidation, combination, reverse share split or reclassification of Class A ordinary shares or other similar event, then, on the effective date of such consolidation, combination, reverse share split, reclassification or similar event, the number of Class A ordinary shares issuable on exercise of each warrant will be decreased in proportion to such decrease in outstanding Class A ordinary shares.

Whenever the number of Class A ordinary shares purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of Class A ordinary shares purchasable upon the exercise of the warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of Class A ordinary shares so purchasable immediately thereafter.

In addition, if (x) we issue additional Class A ordinary shares or equity-linked securities for capital raising purposes in connection with the closing of our initial business combination at an issue price or effective issue price of less than $9.20 per Class A ordinary share (with such issue price or effective issue price to be determined in good faith by our board of directors, and, in the case of any such issuance to our initial shareholders or their affiliates, without taking into account any founder shares held by our initial shareholders or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination (net of redemptions), and (z) the volume-weighted average trading price of our Class A ordinary shares during the 20 trading day period starting on the trading day prior to the day on which we consummate our initial business combination (such price, the "Market Value") is below $9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the $10.00 and $18.00 per share redemption trigger prices described above under "—Redemption of warrants when the price per Class A ordinary share equals or exceeds $10.00" and "— Redemption of warrants when the price per Class A ordinary share equals or exceeds $18.00" will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively.

In case of any reclassification or reorganization of the outstanding Class A ordinary shares (other than those described above or that solely affects the par value of such Class A ordinary shares), or in the case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our issued and outstanding Class A ordinary shares), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of the Class A ordinary shares immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of Class A ordinary shares or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such merger or consolidation, then the kind and amount of securities, cash or other assets for which each warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such merger or consolidation that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders (other than a tender, exchange or redemption offer made by the company in connection with redemption rights held by shareholders of the company as provided for in the company's amended and restated memorandum and articles of association or as a result of the redemption of Class A ordinary shares by the company if a proposed initial business combination is presented to the shareholders of the company for approval) under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding Class A ordinary shares, the holder of a warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a shareholder if such warrant holder had exercised the warrant prior to the expiration of such tender or

exchange offer, accepted such offer and all of the Class A ordinary shares held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the warrant agreement. Additionally, if less than 70% of the consideration receivable by the holders of Class A ordinary shares in such a transaction is payable in the form of Class A ordinary shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the Black-Scholes Warrant Value (as defined in the warrant agreement) of the warrant.

The purpose of such exercise price reduction is to provide additional value to holders of the warrants when an extraordinary transaction occurs during the exercise period of the warrants pursuant to which the holders of the warrants otherwise do not receive the full potential value of the warrants.

The warrants are issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in the warrant agreement or adding or changing any other provisions with respect to matters or questions arising under such agreement as the warrant agent and us may deem necessary or desirable and that the warrant agent and us deem shall not adversely affect the interest of the holders, but requires the approval by the holders of at least 65% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders.

The warrant holders do not have the rights or privileges of holders of ordinary shares and any voting rights until they exercise their warrants and receive Class A ordinary shares. After the issuance of Class A ordinary shares upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders.

No fractional warrants will be issued upon separation of the units and only whole warrants will trade. No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number, the number of Class A ordinary shares to be issued to the warrant holder.

Exclusive Forum Provision. Our warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. We will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. This provision does not apply to claims under the Exchange Act or any claim for which the federal district courts of the United States of America are the sole and exclusive forum.

loaned FACT funds (“

Private Placement Warrants

The On March 2, 2021, simultaneously with the closing of the IPO, FACT completed the private placement warrants (including the Class A ordinary shares issuable upon exercise sale of such warrants) will not be transferable, assignable or salable until 30 days after the completion an aggregate of our initial business combination (except, as described under “Principal Shareholders—Transfers of Founder Shares and 6,266,667 FACT Private Placement Warrants” including to our officers and directors and other persons or entities affiliated with our sponsor) and they will not be redeemable by us so long as they are held by our sponsor or its permitted transferees (except as described above under “— Public Shareholders’ Warrants—Redemption the Sponsor at a purchase price of Warrants When the Price $1.50 per Class A Ordinary Share Equals or Exceeds $18.00”). The sponsor or its permitted transferees, have the option FACT Private Placement Warrant, generating gross proceeds to exercise the private placement warrants on a cashless basis. If the private placement warrants are held by holders other than the sponsor or its permitted transferees, the private placement warrants will be redeemable by us and exercisable by the holders on the same basis as the warrants included in the units being sold in our initial public offering. FACT of $9.4 million.

Except as described under “—Redemption Each FACT Private Placement Warrant is exercisable for one whole share of Warrants When Complete Solaria Common Stock at a price of $11.50 per share, subject to adjustment. A portion of the Price per Class A Ordinary Share Equals or Exceeds $10.00,” if holders proceeds from the sale of the private placement warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of Class A ordinary shares equal to the quotient obtained by dividing (x) the product of the number of Class A ordinary shares underlying the warrants, multiplied by the excess of the “historical fair market value” of our Class A ordinary shares (defined below) over the exercise price of the warrants by (y) the historical fair market value. For these purposes, the “historical fair market value” will mean the average reported last reported sales price of the Class A ordinary shares for the 10 trading days ending on the third trading day prior Sponsor was added to the date on which proceeds from the notice of warrant exercise is sent to IPO held in the warrant agent. Trust Account. The reason that we have agreed that these warrants will be FACT Private Placement Warrants are non-redeemable for cash and exercisable on a cashless basis so long as they are held by the sponsor Sponsor or its permitted transferees is because it is transferees.

Sponsor Support Agreement

In connection with the execution of the Business Combination Agreement, FACT entered into a Sponsor Support Agreement with the Sponsor, the parties thereto, including the FACT Initial Shareholders (together, the "**Sponsor Signatories**", and Complete Solaria, pursuant to which the Sponsor Signatories agreed to, among other things:

- vote in favor of the Business Combination Agreement and the transactions contemplated thereby;
- not redeem their FACT Ordinary Shares;
- from the Closing, at each of the first three annual meetings of the stockholders of Complete Solaria vote all of their shares of Complete Solaria Common Stock in favor of Mr. Thiam for election to the board of directors of Complete Solaria; and
- be bound by certain other agreements and covenants related to the Business Combination, including vesting and forfeiture restrictions with respect to certain shares held by the Sponsor.

The Sponsor Support Agreement was entered into as an inducement for FACT and Complete Solaria to enter into the Business Combination Agreement, and consideration was not known at this time whether they will be affiliated with us following a business combination. If they remain affiliated with us, their ability provided to sell our securities the Sponsor Signatories in exchange for entering into the Sponsor Support Agreement.

Lock-Up Agreement

At Closing, Complete Solaria, the Sponsor, the Sponsor Key Holders (as defined in the open market will be significantly limited. We expect to have policies in place that prohibit insiders from selling our securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell our securities, an insider cannot trade in our securities if he or she is in possession of material non-public information. Accordingly, unlike public shareholders who could exercise their warrants Lock-Up Agreement) and sell the Class A ordinary shares received upon such exercise freely Complete Solaria Key Holders (as defined in the open market in order to recoup Lock-Up Agreement), entered into the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, we believe that allowing the holders to exercise such warrants Lock-Up Agreement.

The Lock-Up Agreement contains certain restrictions on a cashless basis is appropriate.

Except as described above, the private placement warrants have terms and provisions that are identical to those of the warrants being sold as part of the units in our initial public offering.

Dividends

We have not paid any cash dividends on our ordinary shares to date and do not intend to pay cash dividends prior to the completion of our initial business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our initial business combination. The payment of any cash dividends subsequent to our initial business combination will be within the discretion of our board of directors at such time. If we incur any indebtedness, our ability to declare dividends may be limited by restrictive covenants we may agree to in connection therewith.

Our Transfer Agent and Warrant Agent

The transfer agent for our ordinary shares and warrant agent for our warrants is Continental Stock Transfer & Trust Company. We have agreed to indemnify Continental Stock Transfer & Trust Company in its roles as transfer agent and warrant agent, its agents and each of its shareholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities in that capacity, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Certain Differences in Corporate Law

Cayman Islands companies are governed by the Companies Act. The Companies Act is modeled on English Law but does not follow recent English Law statutory enactments, and differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the material differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. In certain circumstances, the Companies Act allows for mergers or consolidations between two Cayman Islands companies, or between a Cayman Islands exempted company and a company incorporated in another jurisdiction (provided that is facilitated by the laws of that other jurisdiction).

Where the merger or consolidation is between two Cayman Islands companies, the directors of each company must approve a written plan of merger or consolidation containing certain prescribed information. That plan or merger or consolidation must then be authorized by either (a) a special resolution (usually a majority of 662/3% in value of the voting shares voted at a general meeting) of the shareholders of each company; or (b) such other authorization, if any, as may be specified in such constituent company's articles of association. No shareholder resolution is required for a merger between a parent company (i.e., a company that owns at least 90% of the issued shares of each class in a subsidiary company) and its subsidiary company. The consent of each holder of a fixed or floating security interest of a constituent company must be obtained, unless the court waives such requirement. If the Cayman Islands Registrar of Companies is satisfied that the requirements of the Companies Act (which includes certain other formalities) have been complied with, the Registrar of Companies will register the plan of merger or consolidation.

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to securities of Complete Solaria held by the foreign company, Sponsor, Sponsor Key Holders and Complete Solaria Key Holders immediately following the directors Closing (including shares of Complete Solaria Common Stock, Complete Solaria Private Warrants and any shares of Complete Solaria Common Stock issuable upon the exercise, conversion or settlement of derivative securities and promissory notes). Such restrictions began at the Closing and end on the earlier of (x) the twelve month anniversary of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company Closing and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

Where the above procedures are adopted, the Companies Act provides for a right of dissenting shareholders to be paid a payment of the fair value of his shares upon their dissenting to the merger or consolidation if they follow a prescribed procedure. In essence, that procedure is as follows (a) the shareholder must give his written objection to the merger or consolidation to the constituent company before the vote on the merger or consolidation, including a statement that the shareholder proposes to demand payment for his shares if the merger or consolidation is authorized by the vote; (b) within 20 days following (y) the date on which the merger volume weighted average price of Complete Solaria Common Stock equals or consolidation exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any twenty trading days within any thirty consecutive trading day period beginning after the date that is approved by 180 calendar days after the shareholders, the constituent company must give written notice to each shareholder who made a written objection; (c) a shareholder must within 20 days following receipt of such notice from the constituent company, give the constituent company a written notice of his intention to dissent including, among other details, a demand for payment of the fair value of his shares; (d) within seven Closing and ending 365 calendar days following the date Closing.

In connection with working capital lending arrangements between the Sponsor and third-party investors, certain restrictions on transfer on the Class B Ordinary Shares (or shares into which such Class B Ordinary Shares convert), solely to be transferred by the Sponsor to such investors, were or shall be reduced to the three month anniversary of the expiration Closing.

Advisory Fees to China Bridge Capital

In May 2021, FACT entered into an agreement with CBC, an affiliate of Edward Zeng, who is a member of the period set out FACT board of directors, pursuant to which CBC agreed to provide advisory and investment banking services to FACT in paragraph (b) above connection with a potential business combination. Under amendment subsequent agreement, dated June 3, 2022, which supersedes the previous agreement among the parties, FACT agreed to pay CBC a customary advisory fee that would be negotiated at the time of the business combination. Mr. Gishen, on behalf of FACT, Mr. Zeng, in his capacity as a representative of CBC, are holding ongoing negotiations regarding the amount of the advisory fee payable to CBC under its June 2022 letter agreement with FACT. Prior the execution of the Original Business Combination Agreement, the FACT Special Committee and FACT Board approved a potential fee arrangement between FACT and CBC. The June 2022 agreement between FACT and CBC may be terminated by FACT or seven days following CBC at any time, with or without cause.

Related Party Loans

In order to finance transaction costs in connection with an intended business combination, the date on which Sponsor, and certain of FACT's officers and directors, loaned FACT funds ("**Working Capital Loans**"). After the plan closing of merger or consolidation is filed, whichever is later, the constituent company, business combination, FACT repaid the surviving company or Working Capital Loans. After giving effect to the consolidated company must make a written offer April 2022 FACT Note, June 2022 FACT Note and December 2022 FACT Note described below, up to each dissenting shareholder to purchase his shares $1.325 million of additional Working Capital Loans were convertible into Private Placement Warrants of the post business combination entity at a price that of $1.50 per warrant at the company determines is option of the fair value lender. Such warrants are identical to the Private Placement Warrants. As of December 31, 2021 and if 2020, FACT had no borrowings under the company Working Capital Loans.

On April 1, 2022, FACT issued the April 2022 FACT Note. The proceeds of the April 2022 FACT Note, which was drawn down from time to time until FACT consummated the initial business combination, were used for general working capital purposes. The April 2022 FACT Note bore no interest and was payable in full upon the shareholder agree earlier to occur of (i) 24 months from the price within 30 days following closing of the IPO (or such later date on which the offer was made, the company must pay the shareholder such amount; and (e) if the company and the shareholder fail to agree a price within such 30 day period, within 20 days following the date on which such 30 day period expires, the company (and any dissenting shareholder) must file a petition as may be extended in accordance with the Cayman Islands Grand Court to determine the fair value and such petition must be accompanied by a list of the names and addresses of the dissenting shareholders with whom agreements as to the fair value of their shares have not been reached by the company. At the hearing of that petition, the court has the power to determine the fair value of the shares together with a fair rate of interest, if any, to be paid by the company upon the amount determined to be the fair value. Any dissenting shareholder whose name appears on the list filed by the company may participate fully in all proceedings until the determination of fair value is reached. These rights of a dissenting shareholder are not available in certain circumstances, for example, to dissenters holding shares of any class in respect of which an open market exists on a recognized stock exchange or recognized interdealer quotation system at the relevant date or where the consideration for such shares to be contributed are shares of any company listed on a national securities exchange or shares of the surviving or consolidated company.

Moreover, Cayman Islands law has separate statutory provisions that facilitate the reconstruction or amalgamation of companies in certain circumstances, schemes of arrangement will generally be more suited for complex mergers or other transactions involving widely held companies, commonly referred to in the Cayman Islands as a "scheme of arrangement" which may be tantamount to a merger. In the event that a merger was sought pursuant to a scheme of arrangement (the procedures for which are more rigorous and take longer to complete than the procedures typically required to consummate a merger in the United States), the arrangement in question must be approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meeting summoned for that purpose. The convening of the meetings and subsequently the terms of the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder would have the right to express to the court the view that the transaction should not be approved, the court can be expected to approve the arrangement if it satisfies itself that:

- we are not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such as a businessman would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act or that would amount to a "fraud on the minority."

If a scheme of arrangement or takeover offer (as described below) is approved, any dissenting shareholder would have no rights comparable to appraisal rights (providing rights to receive payment in cash for the judicially determined value of the shares), which would otherwise ordinarily be available to dissenting shareholders of United States corporations.

Squeeze-out Provisions. When a takeover offer is made and accepted by holders of 90% of the shares to whom the offer relates is made within four months, the offeror may, within a two-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith, collusion or inequitable treatment of the shareholders.

Further, transactions similar to a merger, reconstruction and/or an amalgamation may in some circumstances be achieved through means other than these statutory provisions, such as a share capital exchange, asset acquisition or control, or through contractual arrangements, of an operating business.

Shareholders' Suits. Maples and Calder, our Cayman Islands legal counsel, is not aware of any reported class action having been brought in a Cayman Islands court. Derivative actions have been brought in the Cayman Islands courts, and the Cayman Islands courts have confirmed the availability for such actions. In most cases, we will be the proper plaintiff in any claim based on a breach of duty owed to us, and a claim against (for example) our officers or directors usually may not be brought by a shareholder. However, based both on Cayman Islands authorities and on English authorities, which would in all likelihood be of persuasive authority and be applied by a court in the Cayman Islands, exceptions to the foregoing principle apply in circumstances in which:

- a company is acting, or proposing to act, illegally or beyond the scope of its authority;
- the act complained of, although not beyond the scope of the authority, could be effected if duly authorized by more than the number of votes which have actually been obtained; or
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Enforcement of Civil Liabilities. The Cayman Islands has a different body of securities laws as compared to the United States and provides less protection to investors. Additionally, Cayman Islands companies may not have standing to sue before the Federal courts of the United States.

We have been advised by Maples and Calder, our Cayman Islands legal counsel, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the federal securities laws of the United States or any state; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the federal securities laws of the United States or any state, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Special Considerations for Exempted Companies. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of members is not open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue shares with no par value;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Our Amended and Restated Memorandum and Articles of Association

The Business Combination Article of our amended and restated memorandum and articles of association contains provisions designed association) or (ii) the closing of the business combination. A failure to provide certain rights and protections relating to our initial public offering that will apply to us until pay the completion principal within five business days of our initial business combination.

These provisions cannot be amended without a special resolution. As a matter of Cayman Islands law, a resolution is deemed to be a special resolution where it has been approved by either (i) at least two-thirds (or any higher threshold the date specified in a company's articles of association) above or the commencement of a company's shareholders at a general meeting for voluntary or involuntary bankruptcy action would have been deemed an event of default, in which notice specifying case the intention April 2022 FACT Note may have been accelerated. Prior to propose FACT's first payment of all or any portion of the resolution as a special resolution has been given; or (ii) if so authorized by a company's articles principal balance of association, by a unanimous written resolution of the April 2022 FACT Note in cash, the Sponsor had the option to convert all, but not less than all, of the company's shareholders. Our amended and restated memorandum and articles principal balance of association provide the April 2022 FACT Note into Working Capital Warrants, each warrant exercisable for one ordinary share of FACT at an exercise price of $1.50 per share. The terms of the Working Capital Warrants are identical to the warrants issued by FACT to the Sponsor in a private placement that special resolutions must be approved either by at least two-thirds of our shareholders (i.e., was consummated in connection with the lowest threshold permissible under Cayman Islands law) (other than amendments IPO. The Sponsor is entitled to certain registration rights relating to the rights Working Capital Warrants. The issuance of holders the April 2022 FACT Note was made pursuant to the exemption from registration contained in Section 4(a)(2) of Class B ordinary shares the Securities Act.

On June 6, 2022, FACT issued the June 2022 FACT Note. The proceeds of the June 2022 FACT Note, which was drawn down from time to appoint or remove directors, which time until FACT consummated the initial business combination, were used for general working capital purposes. The June 2022 FACT Note bore no interest and is payable in full upon the earlier to occur of (i) 24 months from the closing of the IPO (or such later date as may be amended by a special resolution passed by a majority extended in accordance with the terms of at least 90% of our ordinary shares voting in a general meeting), or by a unanimous written resolution of all of our shareholders.

Our initial shareholders, who collectively beneficially own approximately 20% of our ordinary shares, may participate in any vote to amend our amended and restated memorandum and articles of association association) or (ii) the closing of the business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action would have been deemed an event of default, in which case the June 2022 FACT Note would have been accelerated. Prior to FACT's first payment of all or any portion of the principal balance of the June 2022 FACT Note in cash, the Sponsor had the option to convert all, but not less than all, of the principal balance of the June 2022 FACT Note into Working Capital Warrants, each warrant exercisable for one ordinary share of FACT at an exercise price of $1.50 per share. The terms of the Working Capital Warrants were identical to the warrants issued by FACT to the Sponsor in a private placement that was consummated in connection with the IPO. The Sponsor is entitled to certain registration rights relating to the Working Capital Warrants. The issuance of the June 2022 FACT Note was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

On December 14, 2022, FACT issued the December 2022 FACT Note. The proceeds of the December 2022 FACT Note, which were drawn down from time to time until FACT consummated the initial business combination, were used for general working capital purposes. The December 2022 FACT Note bore no interest and will was payable in full upon the earlier to occur of (i) 24 months from the closing of our IPO (or such later date as may be extended in accordance with the terms of our Articles of Association) or (ii) the closing of the business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action would have been deemed an event of default, in which case the discretion December 2022 FACT Note may have been accelerated. Prior to vote FACT's first payment of all or any portion of the principal balance of the December 2022 FACT Note in any manner they choose. Specifically, our amended cash, the payees thereunder had the option to convert all, but not less than all, of the principal balance of the December 2022 FACT Note into Working Capital Warrants, each warrant exercisable for one ordinary share of FACT at an exercise price of $1.50 per share. The terms of the Working Capital Warrants are identical to the warrants issued by FACT to the Sponsor in a private placement that was consummated in connection with the IPO. The payees under the December 2022 FACT Note are entitled to certain registration rights relating to the Working Capital Warrants. The issuance of the December 2022 FACT Note was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

On February 28, 2023, FACT issued the February 2023 FACT Note. The proceeds of the February 2023 FACT Note, $1,600,000 of which was drawn down on or about the date thereof, $400,000 of which was drawn down, in accordance with the schedule set forth therein when FACT chose to extend the date by which it would consummate the initial business combination beyond June 2, 2023, and restated memorandum $100,000 of which was drawn down on an as-needed basis with the mutual consent of FACT and articles the Sponsor, was used for general working capital purposes. The February 2023 FACT Note bore no interest and was payable in full upon the consummation of association provide, a business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action would have been deemed an event of default, in which case the February 2023 FACT Note may have been accelerated. The issuance of the February 2023 FACT Note was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

On May 31, 2023, FACT issued the May 2023 FACT Note. The proceeds of the May 2023 FACT Note were used for general working capital purposes. The May 2023 FACT Note bore no interest and was payable in full upon the consummation of a business combination. A failure to pay the principal within five business days of the date specified above or the commencement of a voluntary or involuntary bankruptcy action would have been deemed an event of default, in which case the May 2023 FACT Note may have been accelerated. The issuance of the May 2023 FACT Note was made pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act.

Administrative Support Service

Commencing on the date of the IPO, FACT agreed to pay the Sponsor up to $10,000 per month for office space and administrative support services. These were paid on a monthly basis via invoices, and there was no amount due under the Administrative Services Agreement as of December 31, 2021. For the years ended December 31, 2021 and 2022, FACT paid the Sponsor $2,114 and $0, respectively, in expenses in connection with such services.

Complete Solaria Related Party Transactions

Complete Solaria 2022 Note Financing

Beginning on October 3, 2022, Complete Solar entered into the Complete Solaria Subscription Agreements with certain investors pursuant to which such investors purchased the 2022 Convertible Notes. In addition, the Rodgers Massey Revocable Living Trust purchased a convertible note from Complete Solaria in an amount equal to approximately $6.7 million (the "**RMRLT Rollover Note**"), in consideration for Rodgers Massey Revocable Living Trust's former investment in Solaria, which were assumed and cancelled by Complete Solaria. The RMRLT Rollover Note and the 2022 Convertible Notes accrue interest at a rate of 5% per annum. Immediately prior to the Closing, the RMRLT Rollover Note and the 2022 Convertible Notes converted into that number of shares of common stock of Complete Solaria equal to (x) the principal amount together with all accrued interest of the 2022 Notes divided by 0.75, divided by (y) the price of a share of common stock of Complete Solaria used to determine the conversion ratio in the Business Combination Agreement. In addition, the Sponsor transferred to the holders of 2022 Convertible Notes a pro rata percentage of (i) 666,667 Founder Shares and (ii) 484,380 Private Placement Warrants held by the Sponsor.

The following table summarizes the RMRLT Rollover Note and the 2022 Convertible Notes with related persons.

Name	Purchase Amount	Number of Shares	Private Placement Warrants
Rodgers Massey Revocable Living Trust[1]	$ 6,723,179	1,039,988 [6]	81,468
Rodgers Massey Revocable Living Trust[1]	$ 4,000,000	616,482 [7]	48,470
Rodgers Massey Revocable Living Trust[1]	$ 3,500,000	543,449 [8]	42,411
Rodgers Massey Revocable Living Trust[1]	$ 3,500,000	528,490 [9]	42,411
Edward Zeng[2].	$ 2,400,000	372,237 [10]	29,081
Tidjane Thiam[3]	$ 1,000,000	155,270 [11]	12,177
NextG Tech Limited[4]	$ 900,000	135,897 [12]	10,905
Adam Gishen[5]	$ 100,000	15,526 [13]	1,211

(1) Thurman J. "TJ" Rodgers is a member of Complete Solaria's board of directors, and trustee of the Rodgers Massey Revocable Living Trust. The Rodgers Massey Revocable Living Trust is a 5% holder of Complete Solaria's capital Stock.

(2) Edward Zeng was a director of FACT until the Closing of the Business Combination.

(3) Tidjane Thiam was the Executive Chairman of FACT until the Closing of the Business Combination and is a director of Complete Solaria.

(4) NextG is an affiliate of Edward Zeng, a former director of FACT.

(5) Adam Gishen was the Chief Executive Officer of FACT and is a director of Complete Solaria.

(6) Includes 927,860 shares of Complete Solaria common stock and 112,128 Founder Shares.

(7) Includes 549,771 shares of Complete Solaria common stock and 66,711 Founder Shares.

(8) Includes 485,077 shares of Complete Solaria common stock and 58,372 Founder Shares.

(9) Includes 470,118 shares of Complete Solaria common stock and 58,372 Founder Shares.

(10) Includes 332,211 shares of Complete Solaria common stock and 40,026 Founder Shares.

(11) Includes 138,593 shares of Complete Solaria common stock and 16,677 Founder Shares.

(12) Includes 120,887 shares of Complete Solaria common stock and 15,010 Founder Shares.

(13) Includes 13,859 shares of Complete Solaria common stock and 1,667 Founder Shares.

In addition, holders of 2022 Convertible Notes are entitled to receive, on a pro rata basis, up to an additional (i) 333,333 shares of Complete Solaria Common Stock, at a purchase price of $0.0001 per share, if within the first 12 months following the Closing Date, the volume weighted average price of Complete Solaria Common Stock equals or exceeds $12.50 per share for a period of at least 20 days out of 30 consecutive days on which the shares of Complete Solaria Common Stock are traded on a stock exchange, and (ii) 333,333 shares of Complete Solaria Common Stock, at a purchase price of $0.0001 per share, if within the first 12 months following the Closing Date, the volume weighted average price of Complete Solaria Common Stock equals or exceeds $15.00 per share for a period of at least 20 days out of 30 consecutive days on which the shares of Complete Solaria Common Stock are traded on a stock exchange,

Stockholder Support Agreement

On October 3, 2022, FACT, Complete Solar and certain stockholders of Complete Solar, entered into the Complete Solar Stockholder Support Agreement, whereby each of the parties thereto agreed to, among other things, that: vote to adopt and approve, upon the effectiveness of the Registration Statement, the Business Combination and all other documents and transactions contemplated thereby. Additionally, certain stockholders of Complete Solar agreed, among other things, to effect the Complete Solar Preferred Conversion, not to transfer any of their shares of Complete Solar common stock and Complete Solar preferred stock (or enter into any arrangement with respect thereto), subject to certain customary exceptions, or enter into any voting arrangement that is inconsistent with the Complete Solar Stockholder Support Agreement.

- If we have not completed our initial business combination during the Extension Period, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest income earned on the funds held in the trust account (less taxes payable and up to $100,000 of interest income to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish public shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining shareholders and our board of directors, liquidate and dissolve, subject, in each case, to our obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law;
- Prior to our initial business combination, we may not issue additional securities that would entitle the holders thereof to (i) receive funds from the trust account or (ii) vote on our initial business combination;
- In the event that we enter into a business combination with a target business that is affiliated with our sponsor, our directors or our officers, we, or a committee of independent and disinterested directors, will obtain an opinion from an independent investment banking firm or a valuation or appraisal firm that such a business combination is fair to our company from a financial point of view;
- If a shareholder vote on our initial business combination is not required by law and we do not decide to hold a shareholder vote for business or other reasons, we will offer to redeem our public shares pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, and will file tender offer documents with the SEC prior to completing our initial business combination which contain substantially the same financial and other information about our initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act;
- We must complete one or more business combinations having an aggregate fair market value of at least 80% of the assets held in the trust account (excluding the deferred underwriting commissions and taxes payable on the income earned on the trust account);
- If our shareholders approve an amendment to our amended and restated memorandum and articles of association (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we have not consummated an initial business combination during the Extension Period or (B) with respect to any other material provisions relating to shareholders' rights or pre-initial business combination activity, we will provide our public shareholders with the opportunity to redeem all or a portion of their Class A ordinary shares upon such approval at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest earned on the funds held in the trust account and not previously released to us to pay our taxes, divided by the number of then outstanding public shares, subject to the limitations and on the conditions described herein; and

Complete Solar and Solaria Merger

- We will not effectuate our initial business combination solely with another blank check company or a similar company with nominal operations.

In addition, our amended On October 3, 2022, Complete Solar and restated memorandum Solaria entered into a Required Transaction Merger Agreement to form Complete Solaria. Pursuant to the Required Transaction Merger Agreement, Solaria was acquired by Complete Solar Holding Corporation and articles of association provide we will not redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001. We may, however, raise funds through the issuance of equity or equity-linked securities or through loans, advances or other indebtedness in connection with our initial business combination, including pursuant to forward purchase agreements or backstop arrangements we may enter into following our initial public offering, in order to, among other reasons, satisfy such net tangible assets requirement.

The Companies Act permits a company incorporated in the Cayman Islands to amend its memorandum and articles of association with the approval of a special resolution. A company's articles of association may specify that the approval of a higher majority is required but, provided the approval of the required majority is obtained, any Cayman Islands exempted company may amend its memorandum and articles of association regardless of whether its memorandum and articles of association provides otherwise. Accordingly, although we could amend any of the provisions relating to our proposed offering, structure and business plan which are contained in our amended and restated memorandum and articles of association, we view all of these provisions as binding obligations to our shareholders and neither we, nor our officers or directors, will take any action to amend or waive any of these provisions unless we provide dissenting public shareholders with the opportunity to redeem their public shares.

Certain Anti-Takeover Provisions of Our Amended and Restated Memorandum and Articles of Association

Our authorized but unissued Class A ordinary shares and preferred shares are available for future issuances without shareholder approval and could be utilized for a variety of corporate purposes, including future offerings to raise additional capital, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Class A ordinary shares and preferred shares could render more difficult or discourage an attempt to obtain control of us Complete Solar Midco, LLC, by means of a proxy contest, tender offer, statutory merger or otherwise. of Complete Solar Merger Sub, Inc., with and into

Solaria, pursuant to which Solaria would survive and become a wholly-owned subsidiary of Complete Solar Midco, LLC an indirect wholly-owned Subsidiary of Complete Solar Holding Corporation.

Securities Eligible As a result of the Required Transaction, certain stockholders of Complete Solar who were formerly holders of securities of Solaria have a right to appoint Antonio R. Alvarez, Thurman J. Rodgers and Steven J. Gomo to the Board of Directors of Complete Solaria. Thurman J. Rodgers is trustee of the Rodgers Massey Revocable Living Trust, which is a 5% holder of Complete Solaria Capital Stock. Further, Vikas Desai and Arnaud Lepert were offered employment with Complete Solaria. Equity and other compensation, termination, change in control and other arrangements for these individuals are described in the section titled "*Executive and Director Compensation*."

As a result of the Required Transaction, the following Solaria security holders, entities affiliated with Park West Asset Management LLC; Rodgers Massey Revocable Living Trust; South Lake One, LLC; and Eastern Win Development Holdings Limited, received equity consideration such that each currently holds more than 5% of Complete Solaria's outstanding capital stock.

As a result of the Required Transaction, the following Complete Solar stockholders, Ecosystem Integrity Fund II, L.P. and The Libra Foundation, each holds more than 5% of Complete Solaria's outstanding capital stock.

Complete Solar Preferred Stock Financings

From March 2022 through April 2022, Complete Solar issued and sold an aggregate of 2,660,797 shares of its Series D-1 Preferred Stock for a cash purchase price of $4.9733 per share, 62,498 shares of its Series D-2 Preferred Stock for a cash purchase price of $1.8650 per share, and 48,256 shares of its Series D-3 Preferred Stock for a cash purchase price of $1.5542 per share (together, the "**Complete Solar Series D Preferred Stock**"), for aggregate gross proceeds of $13.4 million. Each share of Complete Solar's Series D Preferred Stock was cancelled in exchange for the right to receive shares of the Complete Solaria's Common Stock upon the Closing.

In January 2020, Complete Solar issued and sold an aggregate of 2,800,283 shares of its Series C-1 Preferred Stock for a cash purchase price of $2.6497 per share for aggregate gross proceeds of $7.4 million (the "**Complete Solar Series C Preferred Stock**"). Each share of Complete Solar's Series C-1 Preferred Stock was cancelled in exchange for the right to receive shares of the Complete Solaria's Common Stock upon the Closing.

The following table summarizes the participation in the foregoing transactions by Complete Solaria's directors, executive officers, and holders of more than 5% of any class of Complete Solaria's capital stock as of the date of such transactions:

Complete Solar Preferred Stock Transactions

Name of Stockholder	Shares of Series C-1 Preferred Stock	Shares of Series D-1 Preferred Stock	Aggregate Purchase Price
The Libra Foundation[(1)]	1,301,791	158,448	$ 3,947,507
Ecosystem Integrity Fund II, L.P.[(2)]	628,524	672,280	$ 4,675,791

(1) The Libra Foundation is a 5% holder of Complete Solaria capital stock.

(2) Ecosystem Integrity Fund II, L.P. is a 5% holder of Complete Solaria capital stock.

Solaria Preferred Stock Financings

From June 2019 through July 2020, Solaria issued and sold an aggregate of 5,367,134 shares of its Series E-1 Preferred Stock for a cash purchase price of $9.17 per share (the "**Solaria Series E Preferred Stock**"), for aggregate gross proceeds of $47.5 million. Shares of Solaria's Series E Preferred Stock were exchanged for shares in Complete Solaria pursuant to the terms of the Required Transaction.

Solaria Preferred Stock Transactions

Name of Stockholder	Shares of Series E-1 Preferred Stock	Aggregate Purchase Price
Rodgers Massey Revocable Living Trust[(1)]	2,363,776	$ 20,000,000

(1) Rodgers Massey Revocable Living Trust is a 5% holder of Complete Solaria capital stock.

Simple Agreements For Future Equity

Solaria previously entered into certain Simple Agreements for Future Sale

As of December 31, 2022, we had 43,125,000 ordinary shares issued and outstanding. After giving effect Equity ("**SAFEs**") to the redemption of 23,256,504 Class A ordinary shares in raise funding. In connection with the Extension Amendment described above, 19,868,496 ordinary Required Transaction, the outstanding Solaria SAFEs were assumed by and assigned to Complete Solaria and converted into Complete Solaria stock. The SAFE dated December 24, 2020 and amended February 23, 2021, by and between Solaria and Rodgers Massey Revocable Living Trust, for a purchase amount of $2,000,000, converted to 453,981 shares remain of Complete Solaria stock at a price per share of $4.405464. The SAFE dated March 3, 2022 and amended March 11, 2022, by and between Solaria and Rodgers Massey Revocable Living Trust, for a purchase amount of $2,000,000, converted to 453,981 shares of Complete Solaria stock at a price per share of $4.405464. Thurman J. "TJ" Rodgers is a member of Complete Solaria's board of directors, and trustee of the Rodgers Massey Revocable Living Trust. The Rodgers Massey Revocable Living Trust is a 5% holder of Complete Solaria's capital Stock. The SAFE dated March 12, 2021, by and between Solaria and entities affiliated with Park West Asset Management LLC, for a total purchase amount of $17,500,000. Park West Investors Master Fund, Limited invested $15,500,000, which converted into 3,518,358 shares Complete Solaria stock at a price per share of $4.405464. Park West Partners International, Limited invested $2,000,000, which converted into 453,981 shares of Complete Solaria stock at a price per share of $4.405464. The entities affiliated with Park West Asset Management LLC are a 5% holder of Complete Solaria's capital Stock ***Warrants***

Complete Solaria issued warrants to purchase shares of its capital stock to certain holders of 5% of its capital stock. The following table summarizes the participation in the foregoing transactions by Complete Solaria's holders of more than 5% of any class of Complete Solaria's capital stock as of the date of such transactions:

Name of Stockholder	Common Stock Warrants	Series C Preferred Stock Warrants
The Libra Foundation[(1)]	358,341	—
Ecosystem Integrity Fund II, L.P.[(2)]	—	1,000,000

(1) The Libra Foundation is a 5% holder of Complete Solaria capital stock.

(2) Ecosystem Integrity Fund II, L.P. is a 5% holder of Complete Solaria capital stock.

Assignment Agreement

On October 5, 2023, Complete Solaria entered into an assignment and outstanding. Of acceptance agreement (the "***Assignment Agreement***") with Rodgers Massey Revocable Living Trust and other parties. Pursuant to the terms of the Assignment Agreement, among other things, Rodgers Massey Revocable Living Trust assumed $1,500,000 of the aggregate $5,000,000 in revolving loans outstanding for Complete Solaria under that certain Loan Agreement. Thurman J. "TJ" Rodgers is the Executive Chairman of Complete Solaria's board of directors, and trustee of the Rodgers Massey Revocable Living Trust. The Rodgers Massey Revocable Living Trust is a 5% holder of Complete Solaria's capital Stock.

Common Stock Purchase Agreements

On December 18, 2023, the Company entered into separate common stock purchase agreements (the "**Purchase Agreements**") with the Rodgers Massey Freedom and Free Markets Charitable Trust and the Rodgers Massey Revocable Living Trust (each a "Purchaser", and together, the "Purchasers"). Pursuant to the terms of the Purchase Agreements, each Purchaser purchased 1,838,235 shares of common stock of the Company, par value $0.0001, (the "**Shares**"), at a price per share of $1.36, representing an aggregate purchase price of $4,999,999.20. The Purchasers paid for the Shares in cash. Thurman J. "TJ" Rodgers is the Executive Chairman of Complete Solaria's board of directors and is a trustee of the Rodgers Massey Freedom and Free Markets Charitable Trust and the Rodgers Massey Revocable Living Trust. Rodgers Massey Revocable Living Trust is a 5% holder of Complete Solaria's capital Stock.

Employment Arrangements

Complete Solaria has entered into employment agreements with certain of its executive officers. For more information regarding these shares, agreements with Complete Solaria's named executive officers, see the 11,243,496 Class A ordinary shares section titled "*Executive and Director Compensation—Employment Arrangements with Named Executive Officers*."

Stock Option Grants to Directors and Executive Officers

Complete Solaria has granted stock options to certain of its directors and executive officers. For more information regarding the stock options and stock awards granted to Complete Solaria's directors and named executive officers, see the section titled "*Executive and Director Compensation*."

Indemnification Agreements

Complete Solaria entered into new indemnification agreements with the directors and officers of New Complete Solaria following the Business Combination.

Complete Solaria's certificate of incorporation contains provisions limiting the liability of directors, and Complete Solaria's amended and restated bylaws provide that Complete Solaria will indemnify each of its directors and officers to the fullest extent permitted under Delaware law. Complete Solaria's amended and restated certificate of incorporation and amended and restated bylaws also provide the Complete Solaria's Board with discretion to indemnify Complete Solaria's employees and other agents when determined appropriate by Complete Solaria's Board.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Policies and Procedures for Related Person Transactions

The Complete Solaria Board adopted a written related person transactions policy that sets forth Complete Solaria's policies and procedures regarding the identification, review, consideration and oversight of "related person transactions." For purposes of the Complete Solaria policy only, a "related person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Complete Solaria or any of its subsidiaries are freely tradable without restriction participants involving an amount that exceeds $120,000, including purchases of goods or further registration services by or from the related person or entities in which the related person has a material interest, indebtedness and guarantees of indebtedness, subject to certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, except Act.

Under the policy, the related person in question or, in the case of transactions with a holder of more than 5% of any class Complete Solaria's voting securities, an officer with knowledge of a proposed transaction, must present information regarding the proposed related person transaction to the Complete Solaria's audit committee (or, where review by the Complete Solaria's audit committee would be inappropriate, to another independent body of the Board) for any shares purchased review. To identify related person transactions in advance, the Complete Solaria will rely on information supplied by one of our affiliates within Complete Solaria's executive officers, directors and certain significant stockholders. In considering a related person transaction, Complete Solaria's audit committee will take into account the meaning of Rule 144 under the Securities Act. relevant available facts and circumstances, which may include, but are not limited to:

- the risks, costs, and benefits to Complete Solaria;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the extent of the related person's interest in the transaction;
- the purpose and terms of the transaction;
- management's recommendation with respect to the proposed related person transaction;
- the availability of other sources for comparable services or products; and
- whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction.

Complete Solaria's audit committee will approve only those transactions that it determines are fair to us and in Complete Solaria's best interests. All of the remaining 8,625,000 founder shares transactions described above were entered into prior to the adoption of such policy.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees billed for professional audit services and all 6,266,667 private placement warrants are restricted securities under Rule 144, in that they were issued in private transactions not involving a public offering, other services rendered by our current auditor, Deloitte & Touche LLP, and are subject to transfer restrictions as set forth our former auditor, Marcum LLP for fiscal year 2023 and by our former auditor, Marcum LLP for fiscal year 2022. All of the services described in the prospectus following fee table were approved by the Audit Committee.

	Fiscal Years Ended	
	December 31, 2023	December 31, 2022
	(In thousands)	
Audit Fees(1)	$ 1,440	$ 144
Audit-Related Fees(2)	400	–
Tax Fees(3)	147	–
All Other Fees(4)	–	–
Total Fees	$ 1,987	$ 144

(1) *Audit Fees* - This category includes the audit of our annual financial statements, the audit of our internal control over financial reporting, the review of our financial statements included in our Quarterly Reports on Form 10-Q, and services that are normally provided by the independent registered public accounting firm in connection with statutory audit and regulatory filings for those fiscal years. This category also includes advice on accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

(2) *Audit-Related Fees* - This category generally consists of assurance and related services, such as due diligence related to acquisition, business combination, finance offering and the employee benefit plan.

(3) *Tax Fees* - This category consists of services for tax compliance, tax advice, and tax planning.

(4) All Other Fees - This category consists of annual subscription for accounting literature.

Pre-Approval Policies and Procedures

Our Audit Committee has procedures in place for the pre-approval of all audit services, audit-related services, tax services, and other services rendered by our initial independent registered public offering. accounting firm, Deloitte & Touche LLP. Our Audit Committee generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of our Audit Committee's approval of the scope of the engagement of the independent auditor or on an individual, explicit, case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting. The Audit Committee has determined that the rendering of services other than audit services by Deloitte & Touche LLP is compatible with maintaining the principal accountant's independence.

Rule 144

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following are filed with this Annual Report on Form 10-K:

1. Financial Statements: See Index to consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K.
2. Financial Statement Schedules: All financial statement schedules have been omitted because they are not required, not applicable or the required information is otherwise included.
3. Exhibits: The exhibits listed below are filed as part of this Annual Report on Form 10-K or incorporated herein by reference, in each case as indicated below.

Exhibit Number	Exhibit Description	Form	File Number	Exhibit	Filing Date
2.1	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	S-4	333-269674	2.1	May 31, 2023
2.2	Agreement and Plan of Merger, dated as of October 3, 2022, by and between Complete Solar Holding Corporation, Complete Solar Midco, LLC, Complete Solar Merger Sub, Inc., The Solaria Corporation, and Fortis Advisors LLC	S-4	333-269674	2.4	February 10, 2023
2.3	Asset Purchase Agreement dated September 19, 2023, by and among Complete Solaria, Inc., SolarCA, LLC, and Maxeon Solar Technologies, Ltd.	8-K	001-40117	2.1	2023-09-21
3.1	Certificate of Incorporation of Complete Solaria	8-K	001-40017	3.1	2023-07-21
3.2	Bylaws of Complete Solaria	8-K	001-40017	3.2	2023-07-21
4.1	Form of Replacement Warrant	8-K	001-40117	4.1	2023-10-12
4.2	Form of First Amendment to Replacement Warrant	8-K	001-40117	4.2	2023-10-12
4.3	Amended and Restated Registration Rights Agreement, dated July 18, 2023, by and among the Company and certain other stockholders party thereto	8-K	001-40117	4.1	2023-07-24
4.4	Warrant Agreement, dated February 25, 2021, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent	8-K	001-40117	4.1	2021-03-2
10.1	Form of Indemnification Agreement	8-K	001-40017	10.23	2023-07-24
10.2	Forward Purchase Agreement, dated July 13, 2023, between Meteora Special Opportunity Fund I, LP, Meteora Capital Partners, LP and Meteora Select Trading Opportunities Master, LP; Freedom Acquisition I Corp.; and Complete Solaria, Inc.	8-K	001-40017	10.24	2023-07-24
10.3	Forward Purchase Agreement, dated July 13, 2023, between Polar Multi-Strategy Master Fund; Freedom Acquisition I Corp. and Complete Solaria, Inc.	8-K	001-40017	10.25	2023-07-24
10.4	Forward Purchase Agreement, dated July 13, 2023, between Diametric True Alpha Market Neutral Master Fund, LP, Diametric True Alpha Enhanced Market Neutral Master Fund, LP, and Pinebridge Partners Master Fund, LP; Freedom Acquisition I Corp. and Complete Solaria, Inc.	8-K	001-40017	10.26	2023-07-24
10.5	FPA Funding Amount Pipe Subscription Agreements dated July 13, 2023, between Meteora Special Opportunity Fund I, LP, Meteora Capital Partners, LP and Meteora Select Trading Opportunities Master, LP; Freedom Acquisition I Corp.; and Complete Solaria, Inc.	8-K	001-40017	10.27	2023-07-24

Exhibit Number	Exhibit Description	Form	File Number	Exhibit	Filing Date
10.6	FPA Funding Amount Pipe Subscription Agreements dated July 13, 2023, between Polar Multi-Strategy Master Fund; Freedom Acquisition I Corp. and Complete Solaria, Inc.	8-K	001-40017	10.28	2023-07-24
10.7	FPA Funding Amount Pipe Subscription Agreements, dated July 13, 2023, between Diametric True Alpha Market Neutral Master Fund, LP, Diametric True Alpha Enhanced Market Neutral Master Fund, LP, and Pinebridge Partners Master Fund, LP; Freedom Acquisition I Corp. and Complete Solaria, Inc.	8-K	001-40017	10.29	2023-07-24
10.8	New Money Pipe Subscription Agreements dated July 13, 2023, between Meteora Special Opportunity Fund I, LP, Meteora Capital Partners, LP and Meteora Select Trading Opportunities Master, LP; Freedom Acquisition I Corp.; and Complete Solaria, Inc.	8-K	001-40017	10.30	2023-07-24
10.9	New Money Pipe Subscription Agreements, dated July 13, 2023, between Diametric True Alpha Market Neutral Master Fund, LP, Diametric True Alpha Enhanced Market Neutral Master Fund, LP, and Pinebridge Partners Master Fund, LP; Freedom Acquisition I Corp. and Complete Solaria, Inc.	8-K	001-40017	10.31	2023-07-24
10.10	Form of Subscription Agreement	8-K	001-40017	10.32	2023-07-24
10.11	Form of Subscription Agreement	8-K	001-40017	10.1	2023-07-14
10.12	Promissory Note dated July 10, 2023, issued by Freedom Acquisition I Corp. to Freedom Acquisition I LLC	8-K	001-40017	10.1	2023-07-11
10.13	Consent to Business Combination Agreement, dated July 9, 2023.	8-K	001-40017	10.1	2023-07-10
10.14	Complete Solaria, Inc. 2023 Incentive Equity Plan	8-K	001-40017	10.5	2023-07-24
10.15	Forms of Option Grant Notice and Option agreement and Global RSU Grant Notice and Agreement	8-K	001-40017	10.6	2023-07-24
10.16	Complete Solaria, Inc. 2023 Employee Stock Purchase Plan	8-K	001-40017	10.7	2023-07-24
10.22#	Form of Employment Agreement between Complete Solaria, Inc. and Executive Officers	S-4	333-269674	10.22	May 11, 2023
16.1	Letter from Marcum LLP	8-K	001-40117	16.1	July 24, 2023
23.1*	Consent of Deloitte & Touche, LLP, independent registered public accounting firm				
31.1*	Certification of the 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				
31.2*	Certification of the 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				
32.1*	Certification of the Principal Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2*	Certification of the Principal Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101*	Inline XBRL Document Set for the consolidated condensed financial statements and accompanying notes in Consolidated Condensed Financial Statements and Supplemental Details				
104*	Cover Page Interactive Data File - formatted in Inline XBRL and included as Exhibit 101				

* Filed herewith

\# Indicates a management contract or compensatory plan, contract or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

Signatures

Pursuant to Rule 144, a person who has beneficially owned restricted shares or warrants for at least six months would be entitled to sell their securities provided that (i) such person is not deemed to have been one the requirements of our affiliates at the time of, or at any time during the three months preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least three months before the sale and have filed all required reports under Section 13 or 15(d) of the Securities Exchange Act during of 1934, the 12 months (or such shorter period as we were required registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMPLETE SOLARIA, INC.

Dated: April 1, 2024

By: /s/ CHRIS LUNDELL

Name: Chris Lundell

Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Chris Lundell and Brian Wuebbels his true and lawful attorney-in-fact and agent, with full power of substitution and, for him and in his name, place and stead, in any and all capacities to sign any and all amendments to this Report on Form 10-K, and to file reports) preceding the sale. same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Persons who have beneficially owned restricted shares or warrants for at least six months but who are our affiliates at the time of, or at any time during the three months preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- 1% of the total number of Class A ordinary shares then outstanding, which is currently equal to 112,434 Class A ordinary shares; or
- the average weekly reported trading volume of the Class A ordinary shares during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales by our affiliates under Rule 144 are also limited by manner of sale provisions and notice requirements and Pursuant to the availability requirements of current public information about us. the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Chris Lundell	Chief Executive Officer and Director	April 1, 2024
Chris Lundell	*(Principal Executive Officer)*	
/s/ Brian Wuebbels	Chief Financial Officer	April 1, 2024
Brian Wuebbels	*(Principal Financial and Accounting Officer)*	
/s/ Thurman J. Rodgers	Executive Chairman	April 1, 2024
Thurman J. Rodgers		
/s/ Antonio R. Alvarez	Director	April 1, 2024
Antonio R. Alvarez		
/s/ Adam Gishen	Director	April 1, 2024
Adam Gishen		
/s/ Ronald Pasek	Director	April 1, 2024
Ronald Pasek		
/s/ Tidjane Thiam	Director	April 1, 2024
Tidjane Thiam		
/s/ Devin Whatley	Director	April 1, 2024
Devin Whatley		
/s/ William J. Anderson	Director	April 1, 2024
William J. Anderson		

Exhibit 23.1

Restrictions on the Use of Rule 144 by Shell Companies or Former Shell Companies CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Rule 144 is not available We consent to the incorporation by reference in Registration Statement No. 333-276376 on Form S-8 of our report dated April 1, 2024, relating to the financial statements of Complete Solaria, Inc. appearing in this Annual Report on Form 10-K for the resale of securities initially issued by shell companies (other than business combination related shell companies) or issuers that have been at any time previously a shell company. However, Rule 144 also includes an important exception to this prohibition if the following conditions are met:

- the issuer of the securities that was formerly a shell company has ceased to be a shell company;

- the issuer of the securities is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act;
- the issuer of the securities has filed all Exchange Act reports and material required to be filed, as applicable, during the preceding 12 months (or such shorter period that the issuer was required to file such reports and materials), other than Current Reports on Form 8-K; and
- at least one year has elapsed from the time that the issuer filed current Form 10 type information with the SEC reflecting its status as an entity that is not a shell company.

As a result, our initial shareholders will be able to sell their founder shares and private placement warrants, as applicable, pursuant to Rule 144 without registration one year after we have completed our initial business combination. ended December 31, 2023.

/s/ Deloitte & Touche LLP
Registration Rights San Francisco, California
April 1, 2024

The holders of the founder shares, private placement warrants and any warrants that may be issued on conversion of working capital loans are entitled to registration rights pursuant to a registration rights agreement requiring us to register such securities for resale. The holders of these securities are entitled to make up to three demands, excluding short form registration demands, that we register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our completion of our initial business combination. However, the registration rights agreement provides that we will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lock-up period, which occurs (1) in the case of the founder shares, on the earlier of (A) one year after the completion of our initial business combination or (B) subsequent to our initial business combination, (x) if the last reported sale price of Class A ordinary shares equals or exceeds $12.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, or (y) the date following the completion of our initial business combination on which we complete a liquidation, merger, amalgamation, share exchange, reorganization or other similar transaction that results in all of our public shareholders having the right to exchange their Class A ordinary shares for cash, securities or other property, and (2) in the case of the private placement warrants and the respective Class A ordinary shares underlying such warrants, 30 days after the completion of our initial business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

Listing of Securities

Our units, Class A ordinary shares and warrants are listed on NYSE under the symbols "FACT U," "FACT" and "FACT WS," respectively.

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam Gishen, Chris Lundell, certify that:

1. I have reviewed this annual report Annual Report on Form 10-K for the year ended December 31, 2023 of Freedom Acquisition I Corp. (the "Company") 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 Company registrant as of, and for, the periods presented in this report;

4. The Company's 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 Company registrant and have:

   a. (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, 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. (b) Evaluated the effectiveness of the Company's 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. (c) Disclosed in this report any change in the Company's registrant's internal control over financial reporting that occurred during the Company's registrant's most recent fiscal quarter (the Company's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's registrant's internal control over financial reporting; and

5. The Company's registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's registrant's auditors and the audit committee of the Company's registrant's board of directors (or persons performing the equivalent functions):

a. (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's registrant's ability to record, process, summarize and report financial information; and

b. (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's registrant's internal control over financial reporting.

Date: April 6, 2023
Date: April 1, 2024

By: /s/ Adam Gishen Chris Lundell
Chris Lundell

Adam Gishen
Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL CHIEF FINANCIAL OFFICER
PURSUANT TO RULE RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam Gishen, Brian Wuebbels, certify that:

1. I have reviewed this annual report Annual Report on Form 10-K for the year ended December 31, 2023 of Freedom Acquisition I Corp. (the "Company") 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 Company registrant as of, and for, the periods presented in this report;

4. The Company's 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 Company registrant and have:

a. (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, 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. (b) Evaluated the effectiveness of the Company's 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. (c) Disclosed in this report any change in the Company's registrant's internal control over financial reporting that occurred during the Company's registrant's most recent fiscal quarter (the Company's registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's registrant's internal control over financial reporting; and

5. The Company's registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's registrant's auditors and the audit committee of the Company's registrant's board of directors (or persons performing the equivalent functions):

a. (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's registrant's ability to record, process, summarize and report financial information; and

b. (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's registrant's internal control over financial reporting.

Date: April 6, 2023
Date: April 1, 2024

By: /s/ Adam Gishen Brian Wuebbels

Adam Gishen
Chief Executive Officer

Brian Wuebbels
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.1

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

I, Adam Gishen,Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Chris Lundell, Chief Executive Officer of Freedom Acquisition I Corp. Complete Solaria, Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, certifies that, to my the best of his knowledge:

1. The Company's Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, to which this Certification is attached as Exhibit 32.1 (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; Act; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 6, 2023
Date: April 1, 2024

/s/ Adam Gishen Chris Lundell

Adam Gishen

Chris Lundell

Chief Executive Officer

(*Principal Executive Officer)*

Officer)

This certification accompanies the Annual Report pursuant to Section 906 which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Sarbanes-Oxley Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Annual Report), irrespective of any general incorporation language contained in such filing.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002 and shall not, except
Pursuant to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Such certification will not be deemed to be incorporated by reference into any filing under and Section 1350 of Chapter 63 of Title 18 of the Securities Act United States Code (18 U.S.C. §1350), Brian Wuebbels, Chief Financial Officer of 1933, as amended, or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.
A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. § 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Adam Gishen, Chief Executive Officer (Principal Financial Officer) of Freedom Acquisition I Corp. Complete Solaria, Inc. (the "Company"), certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, certifies that, to my the best of his knowledge:

1. The Company's Annual Report of the Company on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023, to which this Certification is attached as Exhibit 32.1 (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; Act; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 6, 2023
Date: April 1, 2024

/s/ Adam Gishen

Adam Gishen

Brian Wuebbels
Chief Executive Financial Officer

(*Principal Financial Officer)*

Brian Wuebbels

Officer and Principal Accounting Officer)

This certification accompanies the Annual Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall which it relates, is not except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of with the Securities and Exchange Act of 1934, as amended (the "Exchange Act"). Such certification will Commission and is not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act except to (whether made before or after the extent that date of the Company specifically incorporates it by reference. Annual Report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the U.S. Securities and Exchange Commission or its staff upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

REFINITIV