As filed with the Securities and Exchange Commission on May 5, 2021

Registration No. 333-252629

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3
to
Form S-1

REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

iPower Inc.

(Exact name of registrant as specified in its charter)

Nevada	5200	82-5144171
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2399 Bateman Avenue
Duarte, CA 91010
(626) 863-7344
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Chenlong Tan
Chief Executive Officer
2399 Bateman Avenue
Duarte, CA 91010
(626) 863-7344
(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Stephen A. Weiss, Esq. **Megan J. Penick, Esq.** **Michelman & Robinson LLP** **800 Third Avenue** **New York, New York 10022** **Telephone: (212) 730-7700**	**William L. Hughes, Esq.** **Marsha Mogilevich, Esq.** **Orrick, Herrington & Sutcliffe LLP** **The Orrick Building** **405 Howard Street** **San Francisco, California 94105** **Tel: (415) 773-5700** **Fax: (415) 773-5759**

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer	[_]	Accelerated filer	[_]
Non-accelerated filer	[X]	Smaller reporting company	[X]
		Emerging growth company	[X]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. [_]

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price[1][2][3]	Amount of Registration Fee[4]
Common Stock, par value $0.001 per share	$ 57,500,000	$ 6,274

(1) Pursuant to Rule 416(a) of the Securities Act of 1933, as amended, this Registration Statement also covers any additional shares of Common Stock which may be issued after the date hereof as a result of stock splits, stock dividends and similar events.
(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.
(3) Includes the aggregate offering price of additional shares of Common Stock that the underwriters have the option to purchase, solely to cover over-allotments, if any.
(4) Previously paid.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 5, 2021

PRELIMINARY PROSPECTUS

5,000,000 Shares

Common Stock

This is an initial public offering of Common Stock of iPower Inc. We are selling 5,000,000 shares of our Common Stock, not including overallotments.

Prior to this offering, there has been no public market for our Common Stock. The initial public offering price is expected to be between $9.00 and $11.00 per share. We have applied to list our Common Stock on the Nasdaq Capital Market, or Nasdaq, under the symbol "IPW."

There are 21,604,496 shares of Common Stock outstanding as of the date of this prospectus. Our two founders own an aggregate of 16,046,668 shares of Common Stock or 74.3% of the Common Stock outstanding and will own approximately 58.3% upon completion of this offering.

We are an "emerging growth company" as defined by the Jumpstart Our Businesses Startup Act of 2012 and, as such, we have elected to comply with certain reduced public reporting requirements for this prospectus and future filings.

Investing in our Common Stock involves a high degree of risk. See "Risk Factors" starting on page 13 of this prospectus.

	Per Share	Total
Public Offering Price	$	$
Underwriting discounts and commissions (1)	$	$
Proceeds to us (before expenses)	$	$

(1) See "Underwriting" for additional information regarding underwriting compensation.

The underwriters may also exercise their option to purchase up to an additional 750,000 shares of Common Stock at the initial public offering price, less the underwriting discount, for 45 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares of Common Stock will be ready for delivery on or about , 2021.

D.A. Davidson & Co. **Roth Capital Partners** **Tiger Brokers**

The date of this prospectus is , 2021

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You should rely only on the information contained in this prospectus or in any free writing prospectus that we may specifically authorize to be delivered or made available to you. We and our underwriters have not authorized anyone to provide you with any information other than that contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. We take no responsibility for and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus may only be used where it is legal to offer and sell our securities. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our securities. Our business, financial condition, results of operations and prospects may have changed since that date. We are not making an offer of these securities in any jurisdiction where such offer is not permitted.

ABOUT THIS PROSPECTUS

We have not, and the underwriters have not, authorized anyone to provide you with any information or to make any representation other than that contained in this prospectus, any amendment or supplement to this prospectus or in any free writing prospectus prepared we may authorize to be delivered or made available to you. We do not, and the underwriters do not, take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide to you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date. You should also read and consider the information in the documents to which we have referred you under the caption "Where You Can Find More Information" in this prospectus.

For investors outside the United States: Neither we nor the underwriters have done anything that would permit a public offering of the securities or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus outside of the United States.

Throughout this prospectus, unless otherwise designated or the context suggests otherwise, all references to:

- "we," "us," "our," the "Company," "our Company" or "iPower" refers to iPower Inc., a Nevada corporation, and its subsidiaries;
- the "Board" or "Board of Directors" refers to the board of directors of the Company;
- Common Stock" or "shares" shall refer solely to the Common Stock, par value $0.001 per share, of iPower Inc. and gives effect to (i) a 2-for-1 forward split of the outstanding shares of Common Stock that was consummated on November 16, 2020; (ii) an April 14, 2021 amendment and restatement of our articles of incorporation to permit the immediate conversion of the Class B Common Stock and to eliminate any future issuances of Class B Common Stock; and (iii) an April 23, 2021 further amendment and restatement of our articles of incorporation to eliminate all references to Class A and Class B Common Stock and authorized for issuance 180,000,000 shares which are solely designated as Common Stock;
- the phrase "this offering" or "IPO" refers to the offering contemplated in this prospectus;
- with reference to our financial statements, all references to "year" and "fiscal year" means June 30th and the twelve months ended June 30th; and
- all references to "U.S. dollars," "dollars," and "$" are to the legal currency of the U.S.

INDUSTRY AND MARKET DATA

Market data and certain industry data and forecasts used throughout this prospectus were obtained from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications and surveys. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. We have not independently verified any of the data from third party sources, nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal surveys, industry forecasts and market research, which we believe to be reliable based on our management's knowledge of the industry, have not been independently verified. Forecasts are particularly likely to be inaccurate, especially over long periods of time. Statements as to our market position are based on the most currently available data. While we are not aware of any misstatements regarding the industry data presented in this prospectus, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors" in this prospectus.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains “forward-looking statements.” Forward-looking statements reflect the current view about future events. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect,” “future,” “intend,” “plan,” or the negative of these terms and similar expressions, as they relate to us or our management, identify forward-looking statements. Such statements include, but are not limited to, statements contained in this prospectus relating to our business strategy, our future operating results and liquidity and capital resources outlook. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward–looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees of assurance of future performance. We caution you therefore against relying on any of these forward-looking statements.

Important factors that could cause actual results to differ materially from those in the forward-looking statements include, without limitation, market acceptance of our products; our ability to protect our intellectual property rights; the impact of any infringement actions or other litigation brought against us; competition from other providers and products; our ability to develop and commercialize new and improved products and services and successfully pursue innovation; our ability to complete capital raising transactions; and other factors (including the risks contained in the section of this prospectus entitled "Risk Factors") relating to our industry, our operations and results of operations. Actual results may differ significantly from those anticipated, believed, estimated, expected, intended, or planned. Important factors that could cause such differences include, but are not limited to:

- our inability to predict or anticipate the duration or long-term economic and business consequences of the ongoing COVID-19 pandemic;
- our limited operating history;
- our future results of operations;
- our current and future capital requirements necessary to support our efforts to open or acquire new complimentary businesses and channels of trade;
- our cash needs and financial plans;
- our competitive position;
- seasonality;
- our dependence on consumer interest in growing crops with the equipment and other products that we offer;
- evolving laws surrounding cannabis on a local, state and federal level;
- the effectiveness of our internal controls;
- our dependence on third parties to manufacture and sell us inventory;
- our ability to maintain or protect our intellectual property;
- our ability to innovate and develop new intellectual property to continue enhancing our product and service offerings;
- our ability to protect our systems from unauthorized intrusions or theft of proprietary information;
- our ability to retain key executive members;
- our ability to maintain our relationships with third-party vendors and suppliers;
- our ability to internally develop products and intellectual property;
- expected technological advances by us or by third parties and our ability to leverage them;
- our potential growth opportunities;
- interpretations of current laws and the passage of future laws;
- acceptance of our business model by investors;
- the accuracy of our estimates regarding expenses and capital requirements;
- our ability to sell additional products and services to customers;
- our ability to adequately support growth;
- our ability to ensure consistency in the quality of our products and supply chain;
- any disruption to third party sales platforms, including Amazon.com, Walmart and eBay, through which approximately 80%, of our current revenues are derived;
- potential disruption of our business and supply chain that may be caused by any conflicts or trade wars between China and the U.S., as well as increased tariffs on the products which we import; and
- our anticipated uses of net proceeds from this offering.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements, because they involve known and unknown risks, uncertainties, and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in the reports we file with the SEC. Actual events or results may vary significantly from those implied or projected by the forward-looking statements due to these risk factors. No forward-looking statement is a guarantee of future performance. You should read this prospectus and the documents that we reference herein and have filed as exhibits hereto with the Securities and Exchange Commission, or the SEC, with the understanding that our actual future results and circumstances may be materially different from what we expect.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and we undertake no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider before deciding to purchase our Common Stock. You should carefully read this entire prospectus, including our financial statements and the related notes and the information set forth under the headings "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in each case included elsewhere in this prospectus. All reference to "year" or "fiscal year" refers to our fiscal year ending June 30th.

IPOWER INC.

Our Mission

iPower's mission is to be the most trusted and convenient online provider of hydroponic equipment and supplies.

Our Company

iPower Inc. is one of the largest online hydroponic equipment and accessory retailers and suppliers in North America. We have built proprietary business intelligence and enterprise resource planning software tools that help us collect and analyze data to inform business decisions across our various online platforms. We sell our products through our own website as well as online channel partners that include Amazon, Walmart and eBay.

We believe that we are one of the largest online destinations for hydroponic products where we offer thousands of stock keeping units ("SKUs") from our in-house brands as well as hundreds of other brands through our website, www.zenhydro.com and our online platform partners all of which are fulfilled from our two fulfillment centers in southern California. We offer best-selling products and supplies at great prices which enable our customers to grow vegetables, fruits and flowers, and other plants, including cannabis. We partner with hundreds of the best and most trusted brands in the hydroponics industry, and we create and offer our own outstanding in-house branded products.

Our in-house branded products are marketed under the ***iPower™*** and ***Simple Deluxe™*** brands and include advanced indoor and greenhouse grow-light systems, ventilation systems, activated carbon filters, water-resistant grow tents, trimming machines, pumps and accessories for hydroponic gardening, as well as other indoor and outdoor growing products. We currently offer more than 2,600 proprietary, in-house branded products to consumers which represented approximately 76% of our sales for the six months ended December 31, 2020. Our strategy is to supply products to two groups of customers: (i) home growers who require an online shop to fulfill their daily and weekly growing needs and (ii) commercial growers. We utilize approximately 72,000 square feet of warehouse space in California to fulfill our customers' orders.

For the year ended June 30, 2020, our income from operations and our income after taxes were approximately $2.91 million and $1.99 million, respectively, on total sales revenues of approximately $39.94 million. For the six months ended December 31, 2020, our income from operations and income after taxes were approximately $1.93 million and $1.34 million, respectively, on total sales revenues of approximately $26.21 million.

The Global Hydroponics Markets

Advances in hydroponic systems have helped usher in a new age of high-yield cultivation techniques, earning hydroponics a multitude of dedicated adherents – both individual and commercial growers – globally. Hydroponics is a method of gardening in which plants (often high-value crops) are grown in an optimized solution of water and nutrients, rather than soil. This method is typically used inside greenhouses to give growers the ability to better regulate and control nutrient delivery, light, air, water, humidity, pests, and temperature. Hydroponic growers benefit from these techniques by producing crops faster and with higher crop yields per acre as compared to traditional soil-based growers. Indoor growing techniques and hydroponic products are being utilized in new and emerging industries. In addition, vertical farms producing organic fruits and vegetables are also beginning to utilize hydroponics due to a rising shortage of farmland as well as environmental vulnerabilities including drought, other severe weather conditions and insect/pest infestations.

As the global population surges and food sustainability becomes of greater concern, consumers are increasingly looking to the agriculture industry to adopt high-yield farming techniques such as hydroponics. It has been reported that approximately 83% of consumers take the environment into consideration when making purchases (*See* Finds by Fooddive, "Consumers Still Care About Sustainability amid pandemic" (April 2020)). Through the use of hydroponics systems, growers can achieve potentially larger crop yields, faster growth time (up to twice as fast), up to a 98% increase in water efficiency, and require a substantially smaller footprint (up to 10x more yield in the same amount of space). By using hydroponics growth systems, gardeners and growers will not be affected by unfavorable climates and soil conditions, and will not require chemical or pest control products, resulting in safer and healthier growing environments. (*See* https://greenourplanet.org/benefits-of-hydroponics/).

According to Hydroponics – Global Market Trajectory and Analytics by Global Industry Analytics, Inc. (July 2020), in 2020 the global market for Hydroponic products was estimated at $25.2 billion and by 2027, the global market for hydroponic products is forecast to be approximately $36.3 billion, representing a compound annual growth rate of approximately 5.4%. According to Mordor Intelligence, the global hydroponics market is expanding rapidly and, North America represents approximately 30% of the total global hydroponics market as of 2018.

The Growing Cannabis Market

We believe we have benefited from the nationwide efforts to legalize marijuana at the state level. To date, a total of 44 states plus the District of Columbia ("D.C.") have legalized cannabis in one form or another. To date, 15 states plus D.C. have legalized marijuana for adult use, including both medicinal and recreational, 20 states have legalized marijuana for medical purposes only, and 12 states have legalized the use of CBD oil (a concentrated form of hemp extract) only. According to the 2019 US Cannabis Cultivation Report published by New Frontier Data, United States cultivation output is expected to grow from 29.8 million pounds in 2019 to 34.4 million pounds by 2025. From 2018-2022, the estimated combined totals of cannabis product retail sales are estimated at $42.95 billion for recreational use and $27.3 billion for medical use.

We believe that the growth in cultivation facilities and the increase in organically grown produce will increase the general demand for hydroponics products.

We act solely as a supplier and distributor of hydroponics equipment and supplies, and at no time do we engage in the cultivation, sale, distribution or dispensing of cannabis or any cannabis products or accessories. In addition, we believe that none of our hydroponic equipment and supplies or any other products we sell would be considered paraphernalia under federal drug paraphernalia laws. Similar to Amazon and eBay, we do not advertise or promote our products on our website for use in growing cannabis, nor do we screen or otherwise track how our customers use our products – whether it is to grow flowers, fruits, vegetables or cannabis.

Our Business

We supply hydroponics equipment and accessories made up of both our in-house brands as well as third party brands through multiple online and offline channels.

Our Online Platforms

Our e-commerce platform, **www.zenhydro.com,** as well as the various third-party e-commerce channels we use, such as Amazon, eBay and Walmart.com, offer consumers thousands of products including, without limitation, nutrients, growing media, advanced indoor and greenhouse lighting, ventilation systems, activated carbon filters and accessories for hydroponic gardening, as well as other indoor and outdoor growing products, that serve various purposes and are designed and intended for growing a wide range of plants. Our platform www.zenhydro.com provides consumers with 24/7 availability of products and the ability to create unique hydroponic systems customized to their specific environment, needs and demands. Our platform enables customers to shop from the comfort of their home, access product descriptions, reviews and pictures of all products that we make available for sale. Our sales team understands the frustrations and problems associated with indoor and outdoor gardening and cultivation and are available to assist in tailoring the products we offer to each individual's needs and to recommend the right products based on each individual customer's goals. We believe that our e-commerce approach will result in a seamless and convenient shopping experience for our customers and will drive financial results.

Our Value Proposition to Customers

Our value proposition to customers is driven by our broad selection of high quality third party and in-house branded products at competitive prices, an easy and enjoyable shopping experience, fast and reliable delivery options, and a strong commitment to customer service.

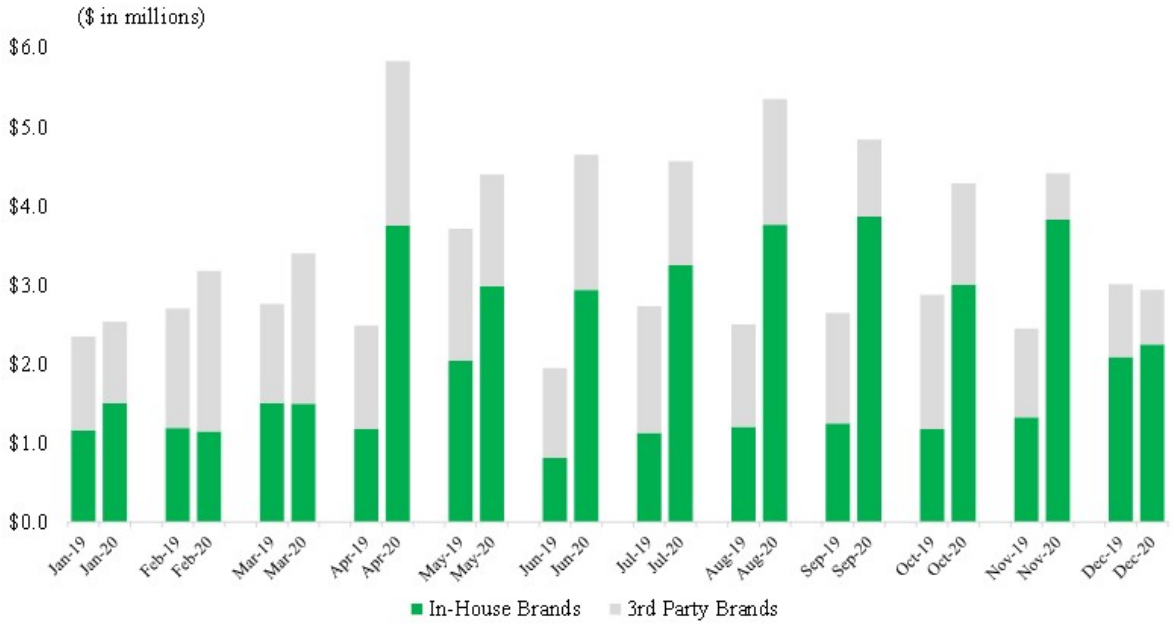
In-House Brands - iPower and Simple Deluxe

We currently offer more than 2,600 proprietary, in-house branded products under the brands, iPower and Simple Deluxe. Our top four product segments include advanced indoor and greenhouse grow-light systems, ventilation systems, activated air filtering devices and trimming accessories. The sale of our in-house branded products represented approximately 76% of our sales for the six months ended December 31, 2020, even while representing approximately 12% of our SKUs for calendar year 2020. We are actively engaged in the continued development of our in-house branded products. For the years ended, June 30, 2019 and 2020, we launched 527 new products and 679 new SKUs, respectively. We intend to continue to develop and introduce additional in-house branded products in 2021 and believe that by expanding our in-house brands, which tend to carry higher margins (45% for the 2020 calendar year), we will be able to positively impact our margins and profitability in the near term.

Third-Party Brands

We also sell a variety of third-party products, including advanced indoor and greenhouse grow-light systems, ventilation systems, activated carbon filters, nutrients, growing media, hydroponic water-resistant grow tents, trimming machines, pumps and accessories for hydroponic gardening, as well as other indoor and outdoor growing products. Our supply chain includes tens of thousands of SKUs across multiple product lines. Many of our products are consumables leading to repeat orders by our customers. Consumable products are mainly nutrients and additives that are fed to plants on a recurring basis. Our strategy is to supply products to two groups of customers: (i) home growers who require an online shop to fulfill their daily and weekly growing needs and (ii) commercial growers.

Monthly Sales of iPower-and Simple Deluxe Branded Products vs Third-Party Products
(Calendar Year 2019 and -2020)



Our Vendor Sources

We currently work with more than 100 suppliers. Our key suppliers include manufacturers and distributors based in the United States and China. The top five vendors in the US account for 27.4% of our supply costs, while the top five China vendors account for some 40.6% of our supply costs, with no single supplier constituting more than 23.0% of our total supply costs. They supply and produce more than 22,000 SKUs that include both our in-house branded products and third-party products.

Our Customer Base

We have a diverse customer base, ranging from green-thumbed individuals engaging in horticulture as a leisurely pastime to commercial users. We cater primarily to home cultivators that grow specialty crops. However, we believe that both types of growers choose to source their hydroponic gardening supplies from us because we understand their specific needs and employ customer support with the requisite expertise to serve expert growers and cultivators by helping them reduce any potential challenges they may encounter in utilizing hydroponic products to grow their crops. Based on a review of our customer profile, we believe that we are well positioned to benefit from the growth in the overall hydroponic market. In addition, while we will continue to sell to certain customers on a wholesale basis, we believe that the highly fragmented hydroponics retail market presents us with a significant opportunity to take advantage of our online retailing model and expand our online footprint.

Distribution Facilities

We currently operate two Los Angeles-based fulfillment centers. We have built a supply chain with recognized commercial carriers that deliver directly to customers across North America.

Our Strategic & Competitive Advantages

We believe that we have a number of strategic advantages that will enable us to maintain and expand our position as one of the leading online retailers and suppliers of hydroponic products which include the following:

- **Comprehensive product offering at competitive prices.** We currently offer more than 22,000 SKUs, which represent the best and most popular products used in the hydroponics industry. We have developed proprietary pricing tools and formulas, which have been refined through management's 10-year data collection period.

- **Data and technology driven culture.** Founded by two software engineers, our management has approached ecommerce with a data first mindset, utilizing in-house technology throughout the business to streamline operations, enhance product development and spark innovation.

- **Experienced ecommerce capabilities.** We sell direct-to-consumer through online partners such as Amazon, Walmart and eBay, as well as through our own website, zenhydro.com, where we aim to offer a "best-in-class" shopping experience and superior technical support. Further, using our proprietary algorithms, we are able to monitor sales and keyword volumes for top listed products, which allows us to identify and test new opportunities to meet specific sales volume and margin requirements.

- **Extensive backend capabilities.** Our in-house customized order processing system has achieved high efficiency and a low error rate, integrating multiple channels of online selling platform allowing customers to get what they need regardless of where they may reside 24/7.

- **Sophisticated Fulfillment Centers.** We utilize our own fulfillment centers located on the west coast. We have the capacity within our fulfillment operations to address significant increases in volume. Through sophisticated inventory planning processes, our software verifies mature SKUs that are in-stock, including measuring product order size, manufacturer's reserve requirements and product stocking, allowing us to anticipate SKU ordering in advance and create a more predictable cash flow.

- **Diversified and growing customer base.** We sell to both commercial and home cultivators and residential gardeners and hobbyists constitute a significant portion of our customer base.

- **Extensive in-house brands.** We believe that our in-house branded products, including our ***iPower*** and ***Simple Deluxe*** brands, are among the leading online hydroponic brands, as evidenced by our Amazon ratings and sales. In-house branded products represent approximately 67% of our sales in calendar year 2020.

- **Strong supplier relationships.** Our management has worked with our key suppliers over many years, and continue to build and maintain a diversified supplier network.

- **Strong customer reviews and product satisfaction.** We have received multiple listings with positive reviews and high sales volume on both our own platform, www.zenhydro.com, as well as through third-party platforms such as Amazon.com, where we are a top hydroponic retailer.

Our Growth Strategy

We believe that we are well positioned to drive growth and profitability over the long term by executing on the following strategies:

- **Continue to grow from the existing customer base and channels.** We seek to expand our share of our customers' wallets by broadening the selection of products that we offer as well as improving customer engagement through improving our sales platform, Zenhydro.com, and improving our product offering. In addition, we will seek to sell our products through additional stores, such as Home Depot, Lowe's, Wayfair and Overstock.

- **Expand our in-house branded products.** We plan to expand our in-house brands by adding more product lines and improving existing product lines.

- **Acquire new customers.** We believe that we have a significant opportunity to continue to add new customers due to the ongoing secular shift from in-store to online shopping and our relatively low unaided brand awareness in the marketplace. We intend to increase brand awareness and reach new customers through advertising, other marketing efforts and this offering. We expect to continue to invest in advertising and marketing to acquire new customers from existing and new channels.

- **Enhance our data and technological capabilities.** We are working to bolster our customer analytics and product development capabilities in order to improve the Company's already strong market position. Through our use of algorithms to monitor sales and keyword volumes for top product listings, we can identify, test and develop new opportunities to meet specific sales volume and margin requirements, as well as plan and manage inventory, pricing and operational support.

- **Expand into adjacent categories** With our current operation capacity, ecommerce model and supplier network, we have the ability to expand into adjacent categories that have great potential. Examples of such categories are vertical farming and inhouse horticulture equipment and supplies.

- **Increase our inventory through bulk purchasing.** With enhanced cash resources, we will be able to expand our inventory through bulk purchasing and increase the number of SKUs that we stock in our own fulfillment centers.

- **Geographic Expansion.** We believe that our sales throughout the U.S., as well as our entry into other grow friendly markets like Europe and further expanding in Canada will accelerate our growth and further diversify our customer base.

Recent Developments

Set forth below are preliminary estimates of certain selected unaudited financial information for the three months ended March 31, 2021 and 2020. Our unaudited interim consolidated financial statements for the three months ended March 31, 2021 are not yet available. The following information reflects our preliminary estimates based on currently available information and is subject to change. These preliminary estimates are forward-looking statements based solely on information available to us as of the date of this prospectus. We have provided ranges, rather than specific amounts, for the preliminary estimates of the financial information described below primarily because our financial closing procedures for the three months ended March 31, 2021 are not yet complete and, as a result, our final results upon completion of our closing procedures may vary from the preliminary estimates.

	Quarter Ended March 31, 2021 (unaudited)		March 31, 2020
(in thousands)	**Low**	**High**	
Revenue, net	$ 11,750	$ 12,750	$ 9,400
Income from operations	$ 750	$ 900	$ 400

- For the three months ended March 31, 2021, we expect to report revenue in the range of $11.75 - $12.75 million, representing growth in the range of 25% -36% as compared to the three months ended March 31, 2020. Revenue growth was driven primarily by an increase in sales volume. In addition to our organic growth, which we achieved as a result of improved products and more effective online marketing efforts, the increase in sales was attributable to more people shopping online and pursuing gardening and growing projects during the COVID-19 pandemic. However, we cannot assure that this trend will continue, and our business may be adversely affected by poor overall economic conditions caused by the ongoing COVID-19 pandemic.

- For the three months ended March 31, 2021, we expect to report income from operations in the range of $0.75– $0.90 million, representing an increase in the range of 87% – 125% as compared to the three months ended March 31, 2020. This expected higher income from operations is primarily the result of an estimated increase in sales revenues as discussed above.

The data presented above reflects our preliminary estimates based solely upon information available to us as of the date of this prospectus and is not a comprehensive statement of our financial or other results as of or for the three months ended March 31, 2021 and 2020. This data has been prepared by, and is the responsibility of, our management. Our independent registered public accounting firm, UHY LLP, has not audited, reviewed or performed procedures with respect to this data. Accordingly, UHY LLP does not express an opinion or any other form of assurance with respect thereto. We currently expect that our final results will be consistent with the estimates set forth above, but such estimates are preliminary and our final results could differ from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time such unaudited interim consolidated financial statements for the three months ended March 31, 2021 and 2020 are issued. For example, during the course of the preparation of the respective financial statements and related notes, additional items that would require adjustments to be made to the preliminary estimated financial information presented above may be identified. There can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties. See “Risk Factors” and “Special Note Regarding Forward-Looking Statements.”

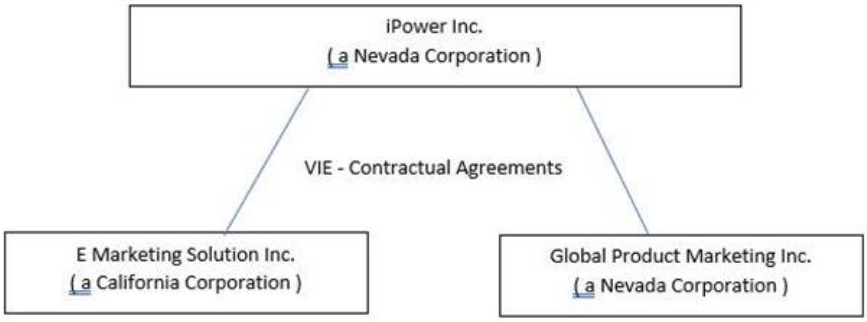
Summary Risk Factors

Investing in our Common Stock involves substantial risk. The risks described under the heading "Risk Factors" beginning on page 13 of this prospectus may cause us not to realize the full benefits of our strengths and/or may cause us to be unable to successfully execute all or part of our strategy. Some of the more significant challenges we face include:

- The COVID-19 pandemic and the efforts to mitigate its impact may have an adverse impact on our business, liquidity, operations, financial condition, the businesses of our suppliers, vendors, and logistics partners, and the price of our securities.
- Our Company's founders own approximately 74.3% of our Common Stock and will own approximately 58.3% upon completion of this offering, which effectively gives our founders full control over the board of directors and management of the Company for the foreseeable future.
- The Company faces intense competition in the hydroponics marketplace which could prohibit us from developing or increasing our customer base beyond present levels.
- Our ability to ensure consistency in the quality of our products and supply chain.
- Approximately 80% of our current revenues are derived from sales of our products through online third-party platforms, including Amazon.com, Walmart, and eBay; any disruption to these business channels could be detrimental to our business.
- Potential disruption of our business and supply chain that may be caused by any conflicts, trade wars or currency fluctuations or tariffs between China and the U.S.
- In the event we require additional capital resources to fund our enterprise, we may not be able to obtain sufficient capital and may be forced to limit the expansion of our operations.
- Certain of our products may be purchased for use in new and emerging industries or segments, such as cannabis, and may be subject to varying, inconsistent and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations and consumer perceptions.
- Our business depends significantly on the continuing efforts of our management team and our business may be considerably impacted if we should lose their services.
- Certain relationships, acquisitions, strategic alliances and investments could result in operating issues, dilutions, and other harmful or unintended consequences which may adversely impact our business and the results of our operations.
- Our continued investment and development in our in-house branded products is inherently risky and could disrupt our ongoing business.
- If the Company is unable to maintain and continue to develop our e-commerce platform, our reputation and operating results may be materially harmed.
- As the bulk of our sales are carried out through e-commerce, we are subject to certain cyber security risks, including hacking and stealing of customer and confidential data.
- There are myriad risks, including stock market volatility, inherent in owning our securities.

Corporate Structure

We have been conducting business as iPower Inc. (formerly BZRTH Inc.) since our formation in 2018 and subsequent acquisition of the assets, and certain liabilities, of BizRight LLC. In order to diversify and facilitate the Company's marketing and research and development activities, we use two variable interest entities, E Marketing Solution Inc. ("E Marketing") and Global Products Marketing Inc. ("GPM"), to perform and conduct certain aspects of our business relative to marketing, banking and cash management. E-Marketing and Global Products Marketing are wholly owned by one of our shareholders, Shanshan Huang, and one of our founders and majority shareholders, Chenlong Tan. See "***Certain Relationships and Related Party Transactions***" on page 58 of this prospectus. The chart below depicts our organizational structure. We intend to acquire E-Marketing and GPM and consolidate E Marketing and GPM into iPower promptly following completion of this offering, at which time E Marketing and GPM will become wholly-owned subsidiaries of iPower.



Corporate Information

The Company, a Nevada corporation, was formed on April 11, 2018 under the name BZRTH Inc. On September 4, 2020, we filed a Certificate of Amendment with the State of Nevada changing our name to iPower Inc.

Our principal offices are located at 2399 Bateman Avenue, Duarte, CA 91010, our phone number is (626) 863-7344. Our business website is www.meetipower.com and our e-commerce website is www.Zenhydro.com. Information contained on our websites should not be deemed incorporated by reference and is not a part of this prospectus.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including 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, reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could remain an emerging growth company for up to five years after the effective date of this Registration Statement, although circumstances could cause us to lose that status earlier, including if the market value of our common stock held by non-affiliates exceeds $700 million as of any June 30 before that time or if we have total annual gross revenue of $1.07 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following June 30 or, if we issue more than $1.07 billion in non-convertible debt during any three-year period before that time, we would cease to be an emerging growth company immediately. Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company” which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. Additionally, even if we no longer qualify as an emerging growth company, as long as we are neither a “large accelerated filer” nor an “accelerated filer,” we would not be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act.

We cannot predict if investors will find our securities less attractive because we may rely on these exemptions, which could result in a less active trading market for our securities and increased volatility in the price of our securities.

Finally, we are a “smaller reporting company” (and may continue to qualify as such even after we no longer qualify as an emerging growth company) and accordingly may provide less public disclosure than larger public companies, including the inclusion of only two years of audited financial statements and only two years of management’s discussion and analysis of financial condition and results of operations disclosure. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

THE OFFERING

Common Stock we are offering	5,000,000 shares of Common Stock
Shares of common stock outstanding before this offering	21,604,496 shares of Common Stock (1)(2)(3) (4)
Shares of Common Stock outstanding after this offering	26,604,496 shares of Common Stock
Over-allotment option	We have granted a 45-day option to the underwriters, exercisable one or more times in whole or in part, to purchase up to an additional 750,000 shares of Common Stock.
Use of proceeds	Our net proceeds from this offering, after deducting offering expenses payable by us at closing (including underwriter discounts and commissions and estimated transaction expenses), of approximately $5,000,000 (or $5,525,000, if the underwriters exercise their over-allotment option in full), will be approximately $45,000,000 (or $51,975,000, if the underwriters exercise their over-allotment option in full), assuming an initial public offering price of $10.00 per share, which is the midpoint of the estimated price range set forth on the cover page of this prospectus. We intend to use the net proceeds from the offering to (i) expand our current ecommerce platform, inventory (including capitalizing on the ability to make bulk purchases), operations (including improving analytics and expanding our online sale platform), research and development, and intellectual property portfolio, (ii) acquire complimentary businesses, and (iii) for general corporate purposes. *See* "Use of Proceeds."
Proposed Nasdaq Capital Market Symbol	IPW
Risk factors	An investment in our securities involves a high degree of risk. See "***Risk Factors***" beginning on page 13 of this prospectus and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our Common Stock.

(1) Gives effect to a 2-for-1 forward split of our outstanding shares of Common Stock, consummated on November 16, 2020.

(2) Does not include (i) 2,415 shares of Series A convertible preferred stock, which shall be converted to 3,450 shares of Common Stock, issuable upon exercise of a five-year warrant held by Boustead Securities, LLC ("Boustead"), which warrant was issued to Boustead as compensation for acting as placement agent for our Series A convertible preferred stock offering; and (ii) 33,192 shares of Common Stock issuable upon exercise of a five-year warrant held by Boustead, which warrant was issued to Boustead as compensation for acting as placement agent in our Convertible Note offering.

(3) Does not include (i) 34,500 shares of Series A convertible preferred stock, which shares will automatically convert into 49,286 shares of Common Stock upon completion of this offering; (ii) $3,000,000 in 6% convertible notes due January 27, 2022 (the "Convertible Notes"), which will automatically convert upon completion of this offering (assuming an initial public offering price of $10.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus,) into Common Stock at a conversion price equal to the lesser of (a) $7.00 per share, representing a 30% discount to the assumed initial public offering price per share of the Common Stock in this offering, or (b) $6.33 per share, representing a 30% discount to the price per share equal to dividing $200 million by the total number of (x) the 21,604,496 outstanding shares of Common Stock immediately prior to the completion of this offering, (y) the 49,286 shares of Common Stock issuable upon conversion of the 34,500 shares of Series A Preferred Stock, and (z) the 474,170 shares of Common Stock issuable upon conversion of all outstanding Convertible Notes; (iii) three-year warrants entitling the holders to purchase 379,336 shares of Common Stock, which equals 80% of the number of shares of Common Stock issuable upon conversion of the Convertible Notes; or (iv) approximately 6,317 restricted stock units which will be issuable to certain of our employees and directors under our 2020 Equity Incentive Plan upon the completion of this offering and will be subject to certain vesting conditions.

(4) Prior to April 14, 2021, we had two classes of authorized common stock, Class A Common Stock and Class B Common Stock. The rights of the holders of Class A Common Stock and Class B Common Stock were identical, except with respect to voting, dividends, liquidation, conversion, and transfer rights. Each share of Class A Common Stock was entitled to one vote per share and each share of Class B Common Stock was entitled to 10 votes per share. Prior to April 14, 2021, our current stockholders owned a total of 20,204,496 shares of Class A Common Stock and our two founders owned a total of 14,000,000 shares of Class B Common Stock. On April 14, 2021, our two founders converted all of the shares of Class B Common Stock into 1,400,000 additional shares of Class A Common Stock, bringing their total ownership to an aggregate of 16,046,668 shares of Class A Common Stock or 74.3% of the 21,604,496 shares of Class A Common Stock outstanding as of the date of this prospectus. On April 14, 2021, we amended and restated our articles of incorporation to permit the immediate conversion of the Class B Common Stock and to eliminate any future issuances of Class B Common Stock, and on April 23, 2021, we further amended and restated our articles of incorporation to eliminate all references to Class A and Class B Common Stock and authorized for issuance 180,000,000 shares which are solely designated as Common Stock.

Unless otherwise stated or if context so requires, based on the assumed initial public offering price of $10.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, all information in this prospectus assumes that the over-allotment option to purchase $7,500,00 represented by 750,000 additional shares of Common Stock that we have granted to the underwriters is not exercised.

SUMMARY CONSOLIDATED AND COMBINED FINANCIAL DATA

The following tables set forth our summary historical financial data as of, and for the periods ended on, the dates indicated. The summary consolidated and combined statements of operations data as of and for the years ended June 30, 2020 and 2019 are derived from our audited consolidated and combined financial statements and notes that are included elsewhere in this prospectus. We have derived the following unaudited condensed consolidated financial and other data as of December 31, 2020 and for the six months ended December 31, 2020 and 2019 from our unaudited interim condensed consolidated financial statements and notes thereto included elsewhere in this prospectus. We have prepared the unaudited condensed consolidated financial statements in accordance with generally accepted accounting principles (GAAP) and on the same basis as our audited consolidated and combined financial statements, and have included all adjustments, consisting of only normal recurring adjustments that, in our opinion, we consider necessary for a fair statement of the consolidated and combined financial information set forth in those statements. Our historical results are not necessarily indicative of our results in any future period and results from our interim period may not necessarily be indicative of the results of the entire year.

The following summary consolidated and combined financial data should be read together with the information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited consolidated and combined financial statements and related notes and our unaudited interim condensed consolidated financial statements and the notes thereto appearing elsewhere in this prospectus. The summary financial data in this section are not intended to replace our audited consolidated and combined financial statements and our unaudited condensed consolidated financial statements and, in each case, the related notes and are qualified in their entirety by such financial statements and related notes included elsewhere in this prospectus.

Statement of operations data:

	For the six months ended		For the year ended	
	12/31/2020	12/31/2019	6/30/2020	6/30/2019
Revenues	$ 26,214,252	$ 15,506,231	$ 39,938,472	$ 22,842,765
Costs of revenues	15,703,873	10,098,357	24,810,907	14,967,248
Gross profit	10,510,379	5,407,874	15,127,565	7,875,517
Operating expenses	8,580,900	4,603,669	12,219,616	7,040,844
Income from operations	1,929,479	804,205	2,907,949	834,673
Other income (expenses)	(69,133)	(2,030)	(147,549)	(110,779)
Income before income taxes	1,860,346	802,175	2,760,400	723,894
Income tax expenses	522,874	224,953	773,438	195,496
Net Income	$ 1,337,472	$ 577,222	$ 1,986,962	$ 528,398
Earnings per share, basic	$ 0.066	$ 0.029	$ 0.10	$ 0.03
Earnings per share, diluted	$ 0.066	$ 0.029	$ 0.10	$ 0.03
Weighted average Class A Common Stock outstanding, basic *	20,204,496	20,000,000	20,093,004	20,000,000
Weighted average Class A Common Stock outstanding, diluted	20,204,496	20,000,000	20,093,004	20,000,000

* On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods. The computation of basic and diluted earnings per share, or EPS, did not include the Class B Common Stock as the holders of Class B Common Stock have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock.

On April 14, 2021, the two Founders converted all of the shares of Class B Common Stock into 1,400,000 additional shares of Class A Common Stock, bringing their total ownership to an aggregate of 16,046,668 shares of Class A Common Stock or 74.3% of the 21,604,496 shares of Class A Common Stock outstanding as of the date of this prospectus. On April 14, 2021, the Company amended and restated its articles of incorporation to permit the immediate conversion of the Class B Common Stock and to eliminate any future issuances of Class B Common Stock, and on April 23, 2021, the Company further amended and restated its articles of incorporation to eliminate all references to Class A and Class B Common Stock which are now solely designated as Common Stock. After giving effect of the conversion, below is the EPS at a pro forma basis including the 1,400,000 shares of Class A Common Stock:

Unaudited pro forma earnings per share:

	For the six months ended		For the year ended	
	12/31/2020	12/31/2019	6/30/2020	6/30/2019
Net Income	$ 1,337,472	$ 577,222	$ 1,986,962	$ 528,398
Earnings per share, basic	$ 0.062	$ 0.027	$ 0.09	$ 0.02
Earnings per share, diluted	$ 0.062	$ 0.027	$ 0.09	$ 0.02
Weighted average Common Stock outstanding, basic	21,604,496	21,400,000	21,493,004	21,400,000
Weighted average Common Stock outstanding, diluted	21,604,496	21,400,000	21,493,004	21,400,000

Unaudited pro forma outstanding shares:

Common Stock outstanding at a pro forma basis was 21,604,496 and 21,604,496 as of December 31, 2020 and June 30, 2020, respectively.

Balance sheet data:

	As of		
	12/31/2020	6/30/2020	6/30/2019
Current assets	$ 17,913,457	$ 13,404,246	$ 7,679,012
Total assets	$ 20,219,948	$ 13,673,373	$ 8,429,349
Current liabilities	$ 13,907,798	$ 10,242,857	$ 7,649,930
Total liabilities	$ 15,937,960	$ 10,742,857	$ 7,912,805
Total equity	$ 4,281,988	$ 2,930,516	$ 516,544

RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks described below and all of the other information contained in this prospectus and in any free writing prospectuses prepared by or on behalf of us or to which we have referred you, including our consolidated and combined financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" before deciding whether to invest in our securities. If any of the possible events described below actually occur, our business, business prospects, cash flow, results of operations or financial condition could be harmed. In this case, the trading price of our common stock could decline, and you might lose all or part of your investment.

The following is a discussion of the risk factors that we believe are material to us at this time. These risks and uncertainties are not the only ones facing us and there may be additional matters that we are unaware of or that we currently consider immaterial. All of these could adversely affect our business, results of operations, financial condition and cash flows.

Risks Related to Our Business and Products

We sell proprietary brand offerings, as well as third party brands, which could expose us to various risks.

We rely on different intellectual property rights, including trade secrets and trademarks and the strength of our proprietary brands, which we consider important to our business. If we are unable to protect or preserve the value of our intellectual property rights for any reason, or if we fail to maintain our brand image due to actual or perceived product or service quality issues, adverse publicity, governmental investigations or litigation, or other reasons, our brand and reputation could be damaged and our business may be harmed.

Although we believe that our proprietary brand products offer significant value to our customers at each price point and provide us with higher gross margins than sales of comparable third-party branded products, expanding our proprietary brand offerings also subjects us to certain specific risks in addition to those discussed elsewhere in this section, such as:

- potential mandatory or voluntary product recalls in the event of product defects or other issues;
- the measures we take may not effectively or sufficiently protect and/or maintain the intellectual property, and proprietary rights associated with our products and business;
- we may be required to heavily invest in marketing such proprietary branded products;
- our ability to successfully innovate and obtain, maintain, protect and enforce our intellectual property and proprietary rights (including defending against counterfeit, knock offs, grey-market, infringing or otherwise unauthorized goods); and
- our ability to successfully navigate and avoid claims related to the intellectual property and proprietary rights of third parties, which, if successful, could force us to modify or discontinue products, pay significant damages or enter into expensive licensing arrangements with the prevailing party, in addition to other harm, including to our reputation or financial results.

An increase in sales of our proprietary brands may also adversely affect our sales of the products of certain of our vendors which may, in turn, adversely affect our relationship with such vendors. Our failure to adequately address some or all of these risks could have a material adverse effect on our business, results of operations and financial condition.

Our competitors and potential competitors may develop products and technologies that are more effective or commercially attractive than our products.

Our products compete against national and regional products and in-house branded products produced by various suppliers, many of which are established companies that provide products that perform functions similar to our products. Our competitors may develop or market products that are more effective or commercially attractive than our current or future products. Some of our competitors have substantially greater financial, operational, marketing, and technical resources than we do. Moreover, some of these competitors may offer a broader array of products and sell their products at prices lower than ours and may have greater name recognition. In addition, if demand for our specialty indoor gardening supplies and products continues to grow, we may face competition from new entrants into our field. Due to this competition, there is no assurance that we will not encounter difficulties in generating or increasing revenues and capturing market share. In addition, increased competition may lead to reduced prices and/or margins for products we sell. We may not have the financial resources, relationships with key suppliers, technical expertise or marketing, distribution or support capabilities to compete successfully in the future.

We may not successfully develop new products or improve existing products or maintain our effectiveness in reaching consumers through rapidly evolving communication vehicles.

Our future success depends, in part, upon our ability to improve our existing products and to develop, manufacture and market new products to meet evolving consumer needs. We cannot be certain that we will be successful in developing, manufacturing and marketing new products or product innovations which satisfy consumer needs or achieve market acceptance, or that we will develop, manufacture and market new products or product innovations in a timely manner. If we fail to successfully develop, manufacture and market new products or product innovations, or if we fail to reach existing and potential consumers, our ability to maintain or grow our market share may be adversely affected, which in turn could materially adversely affect our business, financial condition and results of operations. In addition, the development and introduction of new products and product innovations require substantial research, development, and marketing expenditures, which we may be unable to recoup if such new products or innovations do not achieve market acceptance.

Many of the products we distribute and market, such as our fertilizers and nutrients, contain ingredients that are subject to regulatory approval or registration with certain U.S. state regulators. The need to obtain such approval or registration could delay the launch of new products or product innovations that contain ingredients or otherwise prevent us from developing and manufacturing certain products and product innovations.

The COVID-19 pandemic and the efforts to mitigate its impact may have an adverse effect on our business, liquidity, results of operations, financial condition and price of our securities.

The pandemic involving the novel strain of coronavirus, or COVID-19, and the measures taken to combat it, may have certain and adverse effects on our business. Public health authorities and governments at local, national and international levels have announced various measures to respond to this pandemic. Some measures that directly or indirectly impact our business include:

- voluntary or mandatory quarantines;
- restrictions on travel; and
- limiting gatherings of people in public places.

Although we have been deemed an “essential” business by state and local authorities in the areas in which we operate, we have undertaken the following measures in an effort to mitigate the spread of COVID-19 including limiting business hours, and encouraging employees to work remotely if possible. We also have enacted our business continuity plans, including implementing procedures requiring employees to work remotely where possible which may make maintaining our normal level of corporate operations, quality controls and internal controls difficult. Moreover, the COVID-19 pandemic has caused temporary or long-term disruptions in our supply chains and/or delays in the delivery of our inventory. Further, the COVID-19 pandemic and mitigation efforts have also adversely affected our customers’ financial condition, resulting in reduced spending for the products we sell.

As events are rapidly changing, we do not know how long the COVID-19 pandemic and the measures that have been introduced to respond to it will disrupt our operations or the full extent of that disruption. Further, once we are able to restart normal business hours and operations doing so may take time and will involve costs and uncertainty. We also cannot predict how long the effects of COVID-19 and the efforts to contain it will continue to impact our business after the pandemic is under control. Governments could take additional restrictive measures to combat the pandemic that could further impact our business or the economy in the geographies in which we operate. It is also possible that the impact of the pandemic and response on our suppliers, customers and markets will persist for some time after governments ease their restrictions. These measures have negatively impacted, and may continue to impact, our business and financial condition as the responses to control COVID-19 continue.

We have a limited operating history on which to evaluate our business or base an investment decision.

Our business prospects are difficult to predict given our limited operating history and unproven business strategy. While we inherited in 2018 the business of our predecessor entity, BizRight LLC, an entity that we acquired certain assets and assumed certain liabilities from. We did not begin operations under iPower Inc. (formerly BZRTH Inc.) until our formation in April 2018. Thereafter, we launched our e-commerce platform, Zenhydro.com, where we sell our own in-house branded products, marketed under the iPower and Simple Deluxe brands, and provide distribution for hundreds of other brands manufactured by a number of third-party vendors. Accordingly, the operation of our e-commerce platform, branding and marketing of our own in-house branded products, and our relationships with third-party vendors and suppliers has been limited. If we are unable to effectively maintain our relationships with third-party vendors and suppliers, manage our e-commerce operations, as well as other sales platforms/distribution network, our business is unlikely to succeed. Our business should be viewed in light of these risks, challenges and uncertainties.

An estimated 80% of our sales are carried out through third party platforms, including Amazon.com, Walmart, and eBay; any disruption in our selling efforts on such third party platforms could substantially disrupt our business.

While we maintain our own website, ***www.Zenhydro.com***, as well as our offline wholesale department, which together account for approximately 20% of our sales, a large percentage of our overall sales, or approximately 80%, occurred on third party platforms such as ***Amazon.com, Walmart, and eBay***. As such, should we experience a disruption in our sales on third party platforms, or should such third party platforms somehow come to rank us unfavorably or fail to list our products, this could negatively affect our overall sales and, thus, negatively impact our overall revenues.

Many of our suppliers are experiencing operational difficulties as a result of COVID-19, which in turn may have an adverse effect on our ability to provide products to our customers. Any disruption in our supply chain, increase in shipping costs, and the consistency and availability of our supply chain, could negatively affect our revenues and overall business strategy.

The measures being taken to combat the pandemic are impacting our suppliers and may destabilize our supply chain. For example, manufacturing plants have closed and work at others has been curtailed in many places where we source our products. Some of our suppliers have had to temporarily close a facility for disinfecting after employees tested positive for COVID-19, and others have faced staffing shortages from employees who are sick or apprehensive about coming to work. Further, the ability of our suppliers to ship their goods to us has become difficult as transportation networks and distribution facilities have had reduced capacity and have been dealing with changes in the types of goods being shipped, all of which may cause increase in shipping costs and affect the availability of inventories to meet our sales demand.

Currently the difficulties experienced by our suppliers have not yet impacted our ability to deliver products to our customers and we do not significantly depend on any one supplier; however, if this continues, it may negatively affect our inventory and delay the delivery of merchandise to our stores and customers, which in turn will adversely affect our revenues and results of operations. If the difficulties experienced by our suppliers continue, we cannot guarantee that we will be able to locate alternative sources of supply for our merchandise on acceptable terms, or at all. If we are unable to adequately purchase appropriate amounts of inventory, our business and results of operations may be materially and adversely affected.

Poor economic conditions could adversely affect our business.

Uncertain global economic conditions, particularly in light of the COVID-19 pandemic, could adversely affect our business. Negative global economic trends, such as decreased consumer and business spending, high unemployment levels and declining consumer and business confidence, pose challenges to our business and could result in declining revenues, profitability, and cash flow. Although we continue to devote significant resources to support our brands, unfavorable economic conditions may negatively affect demand for our products. Our most price-sensitive customers may trade down to lower priced products during challenging economic times or if current economic conditions worsen, while other customers may reduce discretionary spending during periods of economic uncertainty, which could reduce sales volumes of our products in favor of our competitors' products or result in a shift in our product mix from higher margin to lower margin products.

We rely heavily on our access to the China markets for the production of our products; should U.S. and China trade relations further deteriorate, and should the ongoing trade war continue, our supply chain, and thus our operations and revenues, could be subject to deleterious effects.

We are heavily reliant on manufacturers in China to produce many of the goods we sell in that approximately 50% of the products we purchased for resale during the 2020 calendar year were manufactured in and imported from China. At present, we have 16 suppliers in the U.S. and 98 suppliers in China. The U.S. and China have been involved in ongoing trade disputes, resulting in increased tariffs when such goods arrive in the U.S., among other things. Any changes in U.S. trade policy, or an escalation in the ongoing trade disputes, could trigger retaliatory actions, resulting in 'trade wars' and an increase costs for goods imported into the United States. Such actions could disrupt our supply chain. In addition, increased tariffs could, in turn, reduce customer demand for such products as such tariffs could cause us to have to increase the price at which we sell our goods, or it could result in trading partners limiting their trade with the United States. To date, iPower has absorbed some of the costs related to increased tariffs. However, should we be unable to continue to absorb such costs, or should we need to pass all such costs on to consumers, such increase could cut into our competitive advantage and our volume of sales activity in the United States could be materially reduced. Any such reduction may materially and adversely affect our sales and our business.

We face intense competition that could prohibit us from developing or increasing our customer base.

The specialty gardening and hydroponic product industry is highly competitive. We may compete with companies that have greater capital resources and facilities. More established gardening companies with much greater financial resources which do not currently compete with us may be able to easily adapt their existing operations to sell hydroponic growing equipment. Our competitors may also introduce new hydroponic growing equipment, and manufacturers may sell equipment direct to consumers. Due to this competition, there is no assurance that we will not encounter difficulties in increasing revenues and maintaining and/or increasing market share. In addition, increased competition may lead to reduced prices and/or margins for products we sell.

If we need additional capital to fund the expansion of our operations, we may not be able to obtain sufficient capital on terms favorable to us and may be forced to limit the expansion of our operations.

In connection with our growth strategies, we may experience increased capital needs and accordingly, we may not have sufficient capital to fund the future expansion of our operations without additional capital investments. There can be no assurance that additional capital will be available to us on terms favorable to us or at all. If we cannot obtain sufficient capital to fund our expansion, we may be forced to limit the scope of our acquisitions and growth prospects.

Our business depends substantially on the continuing efforts of our executive officers and our business may be severely disrupted if we lose their services.

Our future success depends substantially on the continued services of our executive officers, especially our Chairman, Chief Executive Officer and President, Chenlong Tan. We do not presently maintain key man life insurance on any of our executive officers and directors, although we intend to obtain such insurance in the near future. If one or more of our executive officers are unable or unwilling to continue in their present positions, we may not be able to replace them readily, if at all. The loss of any of our executive officers could cause our business to be disrupted, and we may incur additional and unforeseen expenses to recruit and retain new officers.

If we are not successful in attracting and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.

Our ability to compete in the highly competitive hydroponics and gardening industry depends in large part upon our ability to attract highly qualified managerial and sales personnel. In order to induce valuable employees to come and work for us and to remain with us, we may provide employees with stock options, restricted stock, restricted stock units that vest over time. The value to employees of such incentive stock and stock options that vest over time will be significantly affected by movements in our stock price that we will not be able to control and may at any time be insufficient to counteract more lucrative offers our employees may receive from other companies. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior personnel. Certain of our executive officers have employment agreements but these agreements do not guarantee us the continued services of such employees. Further, we do not currently offer any health care or retirement benefits to any of our employees, and many of our more established competitors may offer more competitive compensation packages for the kind of personnel that is critical to our company’s survival and success. If we have difficulty identifying, attracting, hiring, training and retaining such qualified personnel, or incur significant costs in order to do so, our business and financial results could be negatively impacted. For example, offering competitive compensation packages may significantly increase our operating expenses and negatively impact our gross profits. Further, the loss of our executive officers or our other key personnel, particularly with little or no notice, could cause delays on business developments and projects and could have an adverse impact on our customers and industry relationships, our business, operating results or financial condition.

In order to increase our sales and marketing infrastructure, we will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As we continue to work to increase our presence across the market landscape, we will need to expand the size of our employee base for managerial, operational, sales, marketing, financial, human resources and other areas of specialization. Future growth would impose significant added responsibilities on members of management, including the need to identify, recruit, maintain, motivate, and integrate additional employees. In addition, our management may have to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing these growth activities. Our future financial performance and our ability to continue to grow our operation and effectively compete in the hydroponics industry will depend in part on our ability to effectively manage any future growth.

Certain of our products may be purchased for use in the cannabis industry and/or be subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions.

Our hydroponic gardening products are multi-purpose products designed and intended for growing a wide range of plants and are generally purchased from retailers by end users who may grow any variety of vegetables and plants, including cannabis. As such, we sell hydroponic gardening products that end users may purchase for use in a variety of industries or segments, including the growing of cannabis. The cannabis industry is subject to varying, inconsistent and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations and consumer perceptions. For example, certain countries and 36 U.S. states have adopted frameworks that authorize, regulate and tax the cultivation, processing, sale and use of cannabis for medicinal and/or non-medicinal use, while the U.S. Controlled Substances Act and the laws of certain U.S. states prohibit growing cannabis.

We act solely as a supplier and distributor of hydroponics equipment and supplies, and at no time do we engage in the cultivation, sale, distribution or dispensing of cannabis or any cannabis products or accessories. In addition, we believe that none of our hydroponic equipment and supplies or any other products we sell would be considered paraphernalia under federal drug paraphernalia laws. Similar to Amazon and eBay, we do not advertise or promote our products on our website for use in growing cannabis, nor do we screen or otherwise track how our customers use our products – whether it is to grow flowers, fruits, vegetables or cannabis.

We are unaware of any threatened or actual law enforcement activity against manufacturers, distributors or retailers of hydroponic supplies that could potentially be used by participants in the cannabis industry, and do not believe that our operations directly or indirectly violate aid and abet violations of the Controlled Substances Act (including Section 856) or other federal laws (including conspiracy laws, money laundering laws, or RICO. Nevertheless, a theoretical risk exists that our activities could be deemed to be facilitating the selling or distribution of cannabis in violation of the Federal Controlled Substances Act, or to constitute aiding or abetting, or being an accessory to, a violation of that Act. Federal authorities have not focused their resources on such tangential or secondary violations of the Act, nor have they threatened to do so, with respect to the sale of equipment that might be used by cannabis gardeners, or with respect to any supplies marketed to participants in the emerging medical cannabis industry. We are unaware of such a broad application of the Controlled Substances Act by federal authorities.

If the federal government were to change its practices, or were to expend its resources attacking providers of equipment that could be usable by participants in the medical or recreational cannabis industry, such action could have a materially adverse effect on our operations, our customers, or the sale of our products. In addition, we could be faced with or required to expend substantial resources in an effort to comply with new and changing laws and regulations. Such necessary capital expenditures could negatively affect our earnings and competitive position.

Although the demand for our products may be negatively impacted depending on how laws, regulations, administrative practices, enforcement approaches, judicial interpretations and consumer perceptions develop, we cannot reasonably predict the nature of such developments or the effect, if any, that such developments could have on our business.

Continued federal intervention in certain segments of the cannabis industry may have a negative impact on us.

Although we expect minimal impact on the Company from any federal government crackdown on cannabis providers, a disruption to the cannabis industry could cause some potential customers to be more reluctant to invest in growing equipment, including equipment we sell. Moreover, the federal government’s tactics may change or have unforeseen effects, which could be detrimental to our business.

Acquisitions, other strategic alliances, and investments could result in operating difficulties, dilution, and other harmful consequences that may adversely impact our business and results of operations.

Acquisitions are an important element of our overall corporate development strategy and use of capital, and such transactions could be material to our financial condition and results of operations. We expect to continue to evaluate and enter into discussions regarding a wide array of potential acquisition targets and strategic transactions. The areas where we may face risks in connection with such acquisitions include, but are not limited to, the failure to successfully further develop the acquired business, the implementation or remediation of controls, procedures and policies at the acquired business, the transition of employees, operations, users and customers onto our existing platforms, and cultural challenges associated with integrating employees from the acquired business into our organization, and the continued retention of such employees going forward. Our failure to address these risks or other problems encountered in connection with our acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions, investments or alliances, incur unanticipated liabilities, and harm our business generally.

Our acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, or impairment of goodwill and purchased long-lived assets, and restructuring charges, any of which could harm our financial condition or results of operations and cash flows. In addition, the anticipated benefits and synergies of many of our acquisitions may not materialize.

Our ongoing investment in and development of our new in-house branded product line is inherently risky and could disrupt our ongoing businesses.

We have invested and expect to continue to invest in our own in-house branded product lines. Such endeavors may involve significant risks and uncertainties, including insufficient revenues to offset liabilities assumed and expenses associated with this new investment, inadequate return of capital on our investment, and unidentified issues not discovered in our assessment of such strategy and offerings. Because this venture is inherently risky, no assurance can be given that such strategy and offerings will be successful and will not adversely affect our reputation, financial condition and operating results.

If we are unable to effectively execute our e-commerce business, our reputation and operating results may be harmed.

We sell certain of our products over the internet through our e-commerce platform, www.Zenhydro.com. The success of our e-commerce business depends on our investment in this platform, consumer preferences and buying trends relating to e-commerce, and our ability to both maintain the continuous operation of our online store and our fulfillment operations and provide a shopping experience that will generate orders and return visits to our online store.

We are also vulnerable to certain additional risks and uncertainties associated with our e-commerce business, including: changes in required technology interfaces; website downtime and other technical failures; costs and technical issues associated with website software, systems and technology investments and upgrades; data and system security; system failures, disruptions and breaches and the costs to address and remedy such failures, disruptions or breaches; computer viruses; and changes in and compliance with applicable federal and state regulations. In addition, our efforts to remain competitive with technology trends, including the use of new or improved technology, creative user interfaces and other e-commerce marketing tools such as paid search and mobile applications, among others, may increase our costs and may not increase sales or attract consumers. Our failure to successfully respond to these risks and uncertainties might adversely affect the sales of our e-commerce business, as well as damage our reputation and brands.

In addition, the success of our e-commerce business and the satisfaction of our customers depends on their timely receipt of our products and their ability to pick up their desired products from one of our garden centers. The efficient delivery and/or pick up of our products requires that our garden and distribution centers have adequate capacity to support the current level of e-commerce operations and any anticipated increased levels that may occur as a result of the growth of our e-commerce business. If we encounter difficulties with our garden and distribution centers, or if any garden and distribution centers shut down for any reason, including as a result of fire or other natural disaster, or pursuant to expanded stay-at-home orders or other restrictions due to the current COVID-19 pandemic, we could face shortages of inventory, which would result in our inability to properly our online store. Such a situation could cause us to incur significantly higher costs and lead to longer lead times associated with distributing products to our customers, which could cause us to lose customers. Experiencing any of these issues could have a material adverse effect on our business and harm our reputation.

A substantial proportion of our sales occur on Amazon and, as such, should our Company experience any negative actions by Amazon, our sales could be significantly affected.

A significant proportion of our sales occur on the Amazon.com platform. For the six months ended December 31, 2020 and 2019, Amazon Vendor and Amazon Seller customers accounted for 77% and 70% of the Company's total revenues, respectively, and as of December 31, 2020 and June 30, 2020, accounts receivable from Amazon Vendor and Amazon Seller accounted for 89% and 95% of the Company’s total accounts receivable, respectively. Any disruption in our sales or accessibility to Amazon, or any negative action taken by Amazon related to our sales, could negatively affect our business.

Our reliance on third-party manufacturers could harm our business.

We rely on third parties to manufacture certain of our products. This reliance generates a number of risks, including decreased control over the production process, which could lead to production delays or interruptions and inferior product quality control. In addition, performance problems at these third-party manufacturers could lead to cost overruns, shortages or other problems, which could increase our costs of production or result in delivery delays to our customers.

In addition, if one or more of our third-party manufacturers becomes insolvent or unwilling to continue to manufacture products of acceptable quality, at acceptable costs and in a timely manner, our ability to deliver products to our retail customers could be significantly impaired. Substitute manufacturers may not be available or, if available, may be unwilling or unable to manufacture the products we need on acceptable terms. Moreover, if customer demand for our products increases, we may be unable to secure sufficient additional capacity from our current third-party manufacturers, or others, on commercially reasonable terms, or at all.

Our reliance on a limited base of suppliers for certain products, such as light ballasts, may result in disruptions to our business and adversely affect our financial results.

We rely on a limited number of suppliers for certain of our hydroponic products and other supplies. For the six months ended December 31, 2020 and 2019, two suppliers accounted for 33% (22% and 11%) and 31% (20% and 11%) of the Company's total purchases, respectively. Such reliance on a limited number of suppliers may increase our risk of experiencing disruptions in our business. As we do not have any long-term supply agreements, in the event we are unable to maintain supplier arrangements and relationships, if we are unable to contract with suppliers at the quantity and quality levels needed for our business, if any of our key suppliers becomes insolvent or experience other financial distress or if any of our key suppliers is negatively impacted by COVID-19, including with respect to staffing and shipping of products, we could experience disruptions in our supply chain, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Although we continue to implement risk-mitigation strategies for single-source suppliers, we rely on a limited number of suppliers for certain of our products. If we are unable to maintain supplier arrangements and relationships, if we are unable to contract with suppliers at the quantity and quality levels needed for our business, or if any of our key suppliers becomes insolvent or experience other financial distress, we could experience disruptions in production, which could have a material adverse effect on our financial condition, results of operations and cash flows.

A significant interruption in the operation of our or our suppliers' facilities could impact our capacity to produce products and service our customers, which could adversely affect revenues and earnings.

Operations at our and our suppliers' facilities are subject to disruption for a variety of reasons, including fire, flooding or other natural disasters, disease outbreaks or pandemics, acts of war, terrorism, government shut-downs and work stoppages. A significant interruption in the operation of our or our suppliers' facilities, especially for those products manufactured at a limited number of facilities, such as fertilizer and liquid products, could significantly impact our capacity to sell products and service our customers in a timely manner, which could have a material adverse effect on our customer relationships, revenues, earnings and financial position.

If our suppliers are unable to source raw materials in sufficient quantities, on a timely basis, and at acceptable costs, our ability to sell our products may be harmed.

The manufacture of some of our products is complex and requires precise high-quality manufacturing that is difficult to achieve. We have in the past, and may in the future, experience difficulties in manufacturing our products on a timely basis and in sufficient quantities. These difficulties have primarily related to difficulties associated with ramping up production of newly introduced products and may result in increased delivery lead-times and increased costs of manufacturing these products. Our failure to achieve and maintain the required high manufacturing standards could result in further delays or failures in product testing or delivery, cost overruns, product recalls or withdrawals, increased warranty costs or other problems that could harm our business and prospects.

In determining the required quantities of our products and the manufacturing schedule, we must make significant judgments and estimates based on historical experience, inventory levels, current market trends and other related factors. Because of the inherent nature of estimates, there could be significant differences between our estimates and the actual amounts of products we require, which could harm our business and results of operations.

Disruptions in availability or increases in the prices of raw materials sourced by suppliers could adversely affect our results of operations.

We source many of our product components from outside of the United States. The general availability and price of those components can be affected by numerous forces beyond our control, including political instability, trade restrictions and other government regulations, duties and tariffs, price controls, changes in currency exchange rates and weather. A significant disruption in the availability of any of our key product components could negatively impact our business. In addition, increases in the prices of key commodities and other raw materials could adversely affect our ability to manage our cost structure. Market conditions may limit our ability to raise selling prices to offset increases in our raw material costs. Our proprietary technologies can limit our ability to locate or utilize alternative inputs for certain products. For certain inputs, new sources of supply may have to be qualified under regulatory standards, which can require additional investment and delay bringing a product to market.

If our suppliers that currently, or in the future, sell directly to the retail market in which we conduct our current or future business, enhance these efforts and cease or decrease their sales through us, our ability to sell certain products could be harmed.

Our distribution and sales and marketing capabilities provide significant value to our suppliers. Distributed brand suppliers sell through us in order to access thousands of retail and commercial customers across the United States with short order lead times, no minimum order quantity on individual items, free or minimal freight expense and trade credit terms. Based on our knowledge and communication with our suppliers, we believe some of our suppliers sell directly to the retail market. If these suppliers were to cease working with us or proceed to enhance their direct-to-customer efforts, our product offerings, reputation, operation and business could be materially adversely effected.

Our operations may be impaired if our information technology systems fail to perform adequately or if we are the subject of a data breach or cyber-attack.

We rely on information technology systems to conduct our business, including communicating with employees and our key commercial customers, ordering and managing materials from suppliers, shipping products to customers and analyzing and reporting results of operations. While we have taken steps to ensure the security of our information technology systems, our systems may nevertheless be vulnerable to computer viruses, security breaches and other disruptions from unauthorized users. If our information technology systems are damaged or cease to function properly for an extended period of time, whether as a result of a significant cyber incident or otherwise, our ability to communicate internally as well as with our retail customers could be significantly impaired, which may adversely impact our business.

Additionally, in the normal course of our business, we collect, store, and transmit proprietary and confidential information regarding our customers, employees, suppliers and others, including personal information. An operational failure or breach of security from increasingly sophisticated cyber threats could lead to loss, misuse or unauthorized disclosure of this information about our employees or customers, which may result in regulatory or other legal proceedings, and have a material adverse effect on our business and reputation. We also may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Any such attacks or precautionary measures taken to prevent anticipated attacks may result in increasing costs, including costs for additional technologies, training, and third-party consultants. The losses incurred from a breach of data security and operational failures as well as the precautionary measures required to address this evolving risk may adversely impact our financial condition, results of operations and cash flows.

We collect, process, store, use and share information collected from or about purchasers and users of our website and products. The collection and use of personal information, and analysis and sharing of user data and unique identifiers to inform advertising subject us to legislative and regulatory burdens, may expose us to liability, and our actual or perceived failure to adequately protect consumer data could harm our brand, our reputation in the marketplace and our business.

A wide variety of provincial, state, national, foreign, and international laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal information. These privacy and data protection-related laws and regulations are evolving, extensive, and complex. Compliance with these laws and regulations can be costly and can delay or impede the development and offering of new products. In addition, the interpretation and application of privacy and data protection-related laws in some cases is uncertain, and our legal and regulatory obligations are subject to frequent changes, including the potential for various regulator or other governmental bodies to enact new or additional laws or regulations, to issue rulings that invalidate prior laws or regulations, or to increase penalties.

We engage in interest based advertising on our e-commerce website. U.S. and foreign governments have enacted or are considering legislation related to digital advertising and we expect to see an increase in legislation and regulation related to digital advertising, the collection and use of user data and unique device identifiers, such as IP address, and other data protection and privacy regulation. Such laws and legislation could affect our costs of doing business.

Further, while we strive to publish and prominently display privacy policies that are accurate, comprehensive, and fully implemented, we cannot assure you that our privacy policies and other statements regarding our practices will be sufficient to protect us from liability or adverse publicity relating to the privacy and security of information about consumers or their devices. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to consumers or other third parties, or our privacy-related legal obligations, including laws and regulations regulating privacy, data security, or consumer protection, or any compromise of security that results in the unauthorized release or transfer of personal information, may result in proceedings or actions against us, legal liability, governmental enforcement actions, and litigation. Furthermore, any such proceedings or actions, or public statements against us by consumer advocacy groups or others, could cause our customers to lose trust in us, which could have an adverse effect on our business.

Additionally, if third parties we work with, such as customers, advertisers, vendors or developers, violate our contractual limitations on data use or sharing, applicable laws or our policies, such violations may also put consumers' information at risk and could in turn have an adverse effect on our business. If third parties improperly obtain and use the information from or about our consumers or their devices, we may be required to expend significant resources to resolve these problems.

We also are subject to certain contractual obligations to indemnify and hold harmless advertisers, marketing technology companies and other users of our data from the costs or consequences of noncompliance with privacy-related laws, regulations, self-regulatory requirements or other legal obligations, or inadvertent or unauthorized use or disclosure of data that we store or handle as part of providing our products.

We may not be able to adequately protect our intellectual property and other proprietary rights that are material to our business.

Our ability to compete effectively depends in part on intellectual property rights we own or license, particularly our registered brand names. We have not sought to register every one of our marks either in the United States or other countries in which such mark is used. Furthermore, because of the differences in foreign intellectual property or proprietary rights laws, we may not receive the same protection in other countries as we would in the United States with respect to the registered brand names we hold. If we are unable to protect our intellectual property, proprietary information and/or brand names, we could suffer a material adverse effect on our business, financial condition and results of operations. In addition, we may be required to license additional intellectual property and technology from third parties, which may be expensive.

Litigation may be necessary to enforce our intellectual property rights and protect our proprietary information, or to defend against claims by third parties that our products or services infringe their intellectual property rights. Any litigation or claims brought by or against us could result in substantial costs and diversion of our resources. A successful claim of intellectual property infringement against us, or any other successful challenge to the use of our intellectual property, could subject us to damages or prevent us from providing certain products or services, or using certain of our recognized brand names, which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to develop, license or acquire new products, enhance the capabilities of our existing products to keep pace with rapidly changing technology and customer requirements, or successfully manage the transition to new product offerings, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our success depends on our ability to develop, license or acquire and commercialize additional products and to develop new applications for our technologies in existing and new markets, while improving the performance and cost-effectiveness of our existing products, in each case in ways that address current and anticipated customer requirements. We intend to develop and commercialize additional products through our research and development program and by licensing or acquiring additional products and technologies from third parties. Such success is dependent upon several factors, including functionality, competitive pricing, ease of use, the safety and efficacy of our products and our ability to identify, select and acquire the rights to products and technologies on terms that are acceptable to us.

The hydroponics industry is characterized by rapid technological change and innovation. New technologies, techniques or products may emerge that might offer better combinations of price and performance or better address customer requirements as compared to our current or future products, as well as those products of third-party vendors that we make available for sale. Competitors who have greater financial, marketing and sales resources than we do may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. Any new product we identify for internal development, licensing or acquisition may require additional development efforts prior to commercial sale. Due to the significant lead time and complexity involved in bringing a new product to the market, we are required to make a number of assumptions and estimates regarding the commercial feasibility of a new product. These assumptions and estimates may prove incorrect, resulting in our introduction of a product that is not competitive at the time of launch. We anticipate that we will face increased competition in the future as existing companies and competitors develop new or improved products and as new companies enter the market with new technologies and sales mechanisms which we may be unable to adopt or offer for sale. Our ability to mitigate downward pressure on the prices of the products that we offer for sale will be dependent on our ability to maintain and/or increase the value we offer to suppliers, vendors, strategic partners, and consumers. All new products are prone to risks of failure inherent in hydroponic technology development. In addition, we cannot assure you that any such products that we develop or offer for sale will be manufactured or produced economically, successfully commercialized or widely accepted in the marketplace. The expenses or losses associated with unsuccessful product development or launch activities, or a lack of market acceptance of new products, could adversely affect our business, financial condition, and results of operation.

Our ability to attract new customers and increase revenue from existing customers depends in large part on our ability to enhance and improve our own products, maintain relationships with other vendors and suppliers, and to make compelling new products available for sale through our enterprise. Any new product that we develop or offer for sale may not be introduced in a timely or cost-effective manner, may contain defects or may not achieve the marketplace acceptance necessary to generate significant revenue. If we are unable to successfully develop, license or acquire new products to make available for sale, enhance our existing inventory offerings to meet customer requirements, or otherwise gain market acceptance, our business and financial condition and results of operation would be harmed.

We have identified certain material weaknesses in our internal control over financial reporting and may experience material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, as a result of which, we may not be able to accurately report our financial condition or results of operations which may adversely affect investor confidence in us and, as a result, the value of our common stock.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports. If we cannot maintain effective controls and reliable financial reports, our business and operating results could be harmed. Our management has conducted an evaluation of the effectiveness of our internal controls over financial reporting and concluded that our internal controls over financial reporting were not effective because, among other things, (i) we did not maintain a sufficient complement of personnel with an appropriate degree of technical knowledge commensurate with the Company's accounting and reporting requirements, (ii) our controls related to financial statements closing process were not adequately designed or appropriately implemented to identify material misstatements in our financial reporting on a timely basis, and (iii) lack of review and approval procedures for related party transactions.

Management has evaluated remediation plans for the deficiency and has implemented changes to address the material weakness identified, including hiring additional accountants and consultants and implementing controls and procedures over financial reporting process.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. The effectiveness of our controls and procedures may be limited by a variety of factors, including:

- faulty human judgment and simple errors, omissions or mistakes;
- fraudulent action of an individual or collusion of two or more people;
- inappropriate management override of procedures; and
- the possibility that any enhancements to controls and procedures may still not be adequate to assure timely and accurate financial control.

Our management and independent registered public accounting firm has not performed an evaluation of our internal control over financial reporting during any period in accordance with the provisions of Sarbanes-Oxley Act. Had we performed an evaluation and had our independent registered public accounting firm performed an audit of our internal control over financial reporting in accordance with the provisions of Sarbanes-Oxley Act, additional control deficiencies amounting to material weaknesses may have been identified. If we fail to remedy any material weakness, our financial statements may be inaccurate, our access to the capital markets may be restricted and the trading price of our common stock may suffer.

We recently unilaterally terminated an engagement agreement with Boustead Securities LLC and may be subject to litigation or arbitration in the event we are not able to come to agreement on amounts Boustead deems itself to be owed under such agreement.

Pursuant to an engagement agreement, dated and effective August 31, 2020 (the "Engagement Agreement"), with Boustead Securities LLC ("Boustead"), we engaged Boustead to act as our exclusive placement agent for private placements of our securities and as a potential underwriter for our initial public offering. The Engagement Agreement set forth certain terms and conditions, including that in the event the Company completed a private placement or a public offering of its securities, Boustead would receive (i) cash compensation equal to 7% of the offering proceeds, plus (ii) a non-accountable expense allowance equal to 1% of the gross amount to be disbursed to the Company, plus (iii) warrants to purchase the equivalent of 7% of the stock issued in such offering. The term of the Engagement Agreement was the later to occur of (i) 18 months from the date Boustead received an executed copy of the Engagement Agreement from the Company or (ii) 12 months from the completion date of the initial public offering or (iii) the mutual written agreement of the Company and Boustead. Upon the termination or expiration of the Engagement Agreement, the Company was required to pay to Boustead any out-of-pocket expenses incurred up to the date thereof. In addition, upon termination or expiration of the Engagement Agreement, Boustead was entitled to a success fee, as set forth in the Engagement Agreement, if the Company completed a sale, merger, acquisition, joint venture, strategic alliance, or other similar agreement with a party, including the pre-IPO and IPO investors, or which became aware of the Company or which became known to the Company prior to such termination or expiration, during the twelve (12) month period following the termination or expiration of the Engagement Agreement. On February 28, 2021 we informed Boustead that we were terminating the Engagement Agreement and any continuing obligations we may have had under its terms. On April 15, 2021, we provided formal written notice to Boustead of our termination of the Engagement Agreement and all obligations thereunder, effective immediately. On April 16, 2021, counsel to Boustead advised us that they believed our termination of the Engagement Agreement was improper and threatened to seek immediate judicial intervention to obtain injunctive relief and damages. On April 21, 2021, our special litigation counsel responded to such allegations and threats, refuting Boustead's claims. On April 23, 2021, counsel to Boustead provided written notice stating that, subject to the size of our initial public offering, they believe they will be entitled to 7% of the capital raised in addition to warrants. On April 30, 2021, Boustead filed a statement of claim with the Financial Institute Regulatory Authority, or FINRA, demanding to arbitrate the dispute, and is seeking, among other things, monetary damages against the Company and D.A. Davidson & Co. In the event we are not able to settle the matter with Boustead, we will likely face arbitration or litigation from Boustead. We cannot provide assurance that such monetary damages will not be in excess of 7% of the capital raised. The party prevailing in any proceeding under the Engagement Agreement may be entitled to their costs and attorneys' fees, which could be substantial. As such, any proceeding arising from our Engagement Agreement with Boustead may be expensive to defend and could result in a substantial settlement payment or damages award, and there can be no assurance of a favorable outcome for us. In addition, we have indemnified D.A. Davidson & Co. and the other underwriters against any liability or expenses they may be subject to or incur in connection with the Boustead dispute.

General Risk Factors Related to Our Business

Litigation may adversely affect our business, financial condition and results of operations.

From time to time in the normal course of our business operations, we may become subject to litigation that may result in liability material to our financial statements as a whole or may negatively affect our operating results if changes to our business operation are required. The cost to defend such litigation may be significant and may require a diversion of our resources. There also may be adverse publicity associated with litigation that could negatively affect customer perception of our business, regardless of whether the allegations are valid or whether we are ultimately found liable. As a result, litigation may adversely affect our business, financial condition, and results of operations. Since inception, the Company has not been a party to any material litigation. See "***Business—Legal Proceedings***" for additional information.

If product liability lawsuits are brought against us, we may incur substantial liabilities.

We face a potential risk of product liability resulting from the sale of our products. For example, we may be sued if any product we sell allegedly causes injury or is found to be otherwise unsuitable during product testing, manufacturing, marketing, or sale. Any such product liability claim may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability, and a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for products that we may offer for sale;
- injury to our reputation;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions; and
- a decline in the value of our stock.

Our inability to obtain and retain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of products we develop. We do not maintain any product liability insurance. Even if we obtain product liability insurance in the future, we may have to pay amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts.

We may not be able to obtain insurance coverage adequate to cover all significant risk exposures.

We will be exposed to liabilities that are unique to the products we provide. We currently maintain only general liability, umbrella liability, business personal property and business income insurance policies and there can be no assurance that we will acquire or maintain insurance for certain risks, that the amount of our insurance coverage will be adequate to cover all claims or liabilities, or that we will not be forced to bear substantial costs resulting from risks and uncertainties of business. It is also not possible to obtain insurance to protect against all operational risks and liabilities. The failure to obtain and maintain adequate insurance coverage on terms favorable to us, or at all, could have a material adverse effect on our business, financial condition, and results of operations.

Unanticipated changes in our tax provisions, the adoption of new tax legislation or exposure to additional tax liabilities could affect our profitability and cash flows.

In the event there are significant changes in federal or state tax law provisions, or in the event there is new and additional tax legislation adopted, we could be exposed to additional tax liabilities. Such additional tax liabilities could have an effect on our net income and profit margins.

Certain of our products sell on a seasonal basis, resulting in fluctuations in our cash flow, inventory and accounts payable.

As a result of the seasonality of certain products, such as planting equipment, ventilation equipment, grow light systems, or harvesting equipment related to certain produce that grows on a seasonal basis, our business is likely to cause cash and cash equivalents, inventory, and accounts payable to fluctuate, resulting in changes in our working capital.

Our results of operations could be materially harmed if we are unable to accurately forecast customer demand for our products and manage our inventory.

We seek to maintain sufficient levels of inventory in order to protect ourselves from supply interruptions. To ensure adequate inventory supply and manage our operations with our third-party vendors, manufacturers and suppliers, we forecast anticipated materials requirements and demand for our products in order to predict inventory needs and then place orders with our suppliers based on these predictions. Our ability to accurately forecast demand for our products could be negatively affected by many factors, including our limited historical commercial experience, rapid growth, failure to accurately manage our expansion strategy, product introductions by competitors, an increase or decrease in customer demand for our products, our failure to accurately forecast customer acceptance of new products, unanticipated changes in general market conditions or regulatory matters and weakening of economic conditions or consumer confidence in future economic conditions.

Inventory levels in excess of customer demand, including as a result of our introduction of product enhancements, may result in a portion of our inventory becoming obsolete or expiring, as well as inventory write-downs or write-offs, which could have a material adverse effect on our business, financial condition and results of operations. Conversely, if we underestimate customer demand for our and those third-party products we offer for sale, vendors, manufacturers and suppliers may not be able to deliver those materials necessary to meet our requirements, which could result in inadequate inventory levels or interruptions, delays or cancellations of deliveries to our customers, any of which would damage our reputation, customer relationships and business. In addition, several products that we offer for sale may require lengthy order lead times, and additional supplies or materials may not be available when required on terms that are acceptable to us, or at all, and our third-party manufacturers and suppliers may not be able to allocate sufficient capacity in order to meet our increased requirements, any of which could have an adverse effect on our ability to meet customer demand for our products and our business, financial condition and results of operations.

The failure of third parties to meet their contractual, regulatory, and other obligations could adversely affect our business.

We rely on suppliers, vendors, outsourcing partners, consultants, alliance partners and other third parties to research, develop, manufacture and commercialize our products. Using these third parties poses a number of risks, such as: (i) they may not perform to our standards or legal requirements; (ii) they may not produce reliable results; (iii) they may not perform in a timely manner; (iv) they may not maintain confidentiality of our proprietary information; (v) disputes may arise with respect to ownership of rights to technology developed with our partners; and (vi) disagreements could cause delays in, or termination of, the research, development or commercialization of our products or result in litigation or arbitration. Moreover, some third parties are located in markets subject to political and social risk, corruption, infrastructure problems and natural disasters, in addition to country-specific privacy and data security risk given current legal and regulatory environments. Failure of third parties to meet their contractual, regulatory and other obligations may have a material adverse effect on our business, financial condition and results of operations.

The sizes of the markets for our current and future products have not been established with precision and may be smaller than we estimate.

Our estimates of the total addressable markets for our current products, products under development and third-party products that we offer for sale are based on a number of internal and third-party estimates and the assumed prices at which we can sell such products in markets that have not been established or that we have not yet entered. While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these estimates. As a result, our estimates of the total addressable market for our current or future products may prove to be incorrect. If the actual number of consumers who would benefit from the products we offer, the price at which we can sell such products, or the total addressable market for such products is smaller than we have estimated, it may impair our sales growth and have an adverse impact on our business

The COVID-19 pandemic may have the effect of heightening many of the other risks described in this "Risk Factors" section.

To the extent the COVID-19 pandemic may adversely affect our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, as well as other risks which we may not be currently aware of.

Risks Related to Doing Business with the Cannabis Industry

While our business includes both the hobbyist gardener, and is not exclusively reliant on the cannabis grower, our growth is nonetheless substantially dependent on the growth and stabilization of the U.S. cannabis market. New California regulations caused licensing shortages and future regulations may create other limitations that decrease the demand for our products. State level regulations adopted in the future may adversely impact our business.

The base of growers in the U.S. has grown over the past 20 years since the legalization of cannabis for medical uses in states such as California, Colorado, Michigan, Nevada, New Jersey, Oregon and Washington, with a large number of those growers depending on products similar to those we distribute. The U.S. cannabis market is still in its infancy and early adopter states such as California, Colorado and Washington represent a large portion of historical industry revenues. If the U.S. cannabis cultivation market does not grow as expected, our business, financial condition and results of operations could be adversely impacted.

Cannabis remains illegal under U.S. federal law, with it listed as a Schedule I substance under the Controlled Substances Act (CSA). Notwithstanding laws in various states permitting certain cannabis activities, all activities, including possession, distribution, processing and manufacturing of cannabis and investment in, and financial services or transactions involving proceeds of, or promoting such activities remain illegal under various U.S. federal criminal and civil laws and regulations, including the CSA, as well as laws and regulations of several states that have not legalized some or any cannabis activities to date. Compliance with applicable state laws regarding cannabis activities does not protect us from federal prosecution or other enforcement action, such as seizure or forfeiture remedies, nor does it provide any defense to such prosecution or action. Cannabis activities conducted in or related to conduct in multiple states may potentially face a higher level of scrutiny from federal authorities. Penalties for violating federal drug, conspiracy, aiding, abetting, bank fraud and/or money laundering laws may include prison, fines, and seizure/forfeiture of property used in connection with cannabis activities, including proceeds derived from such activities.

In addition to sales through our own platform, www.Zenhydro.com, we sell our products through third-party retailers and resellers. However, it is evident to us that the movement towards the legalization of cannabis in the U.S. and its legalization in Canada has ultimately had a significant and positive impact on our industry. We are not currently subject directly to any state laws or regulations controlling participants in the legal cannabis industry. However, regulation of the cannabis industry does impact those that we believe represent many end-users for our products and, accordingly, there can be no assurance that changes in regulation of the industry and more rigorous enforcement by federal authorities will not have a material adverse effect on us.

Legislation and regulations pertaining to the use and cultivation of cannabis are enacted on both the state and federal government level within the United States. As a result, the laws governing the cultivation and use of cannabis may be subject to change. Any new laws and regulations limiting the use or cultivation of cannabis and any enforcement actions by state and federal governments could indirectly reduce demand for our products and may impact our current and planned future operations.

Individual state laws regarding the cultivation and possession of cannabis for adult and medical uses conflict with federal laws prohibiting the cultivation, possession and use of cannabis for any purpose. A number of states have passed legislation legalizing or decriminalizing cannabis for adult-use, other states have enacted legislation specifically permitting the cultivation and use of cannabis for medicinal purposes, and several states have enacted legislation permitting cannabis cultivation and use for both adult and medicinal purposes. Evolving federal and state laws and regulations pertaining to the use or cultivation of cannabis, as well active enforcement by federal or state authorities of the laws and regulations governing the use and cultivation of cannabis may indirectly and adversely affect our business, our revenues and our profits.

Certain of our products may be purchased for use in new and emerging industries and/or be subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, future scientific research and public perception.

In addition to selling our products through our own online platform, www.Zenhydro.com, we sell products, including hydroponic gardening products, through third-party retailers and resellers. End users may purchase these products for use in new and emerging industries that may not achieve market acceptance in a manner that we can predict. The demand for these products is dependent on the growth of these industries, which is uncertain, as well as the laws governing the growth, possession, and use of cannabis by adults for both adult and medical use.

Laws and regulations affecting the U.S. cannabis industry are continually changing, which could detrimentally affect our growth, revenues, results of operations and success generally. Local, state and federal cannabis laws and regulations are broad in scope and subject to evolving interpretations, which could require the end users of certain of our products or us to incur substantial costs associated with compliance or to alter our respective business plans. In addition, violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operation and financial condition.

Scientific research related to the benefits of cannabis remains in its early stages, is subject to a number of important assumptions, and may prove to be inaccurate. Future research studies and clinical trials may reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, which could materially impact the demand for our products.

The public's perception of cannabis may significantly impact the cannabis industry's success. Both the medical and adult-use of cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion, and public opinion relating to cannabis will be favorable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and adult-use of cannabis is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of cannabis, whether in the United States or internationally, may have a material adverse effect on our operational results, consumer base, and financial results. Among other things, such a shift in public opinion could cause state jurisdictions to abandon initiatives or proposals to legalize medical or adult cannabis or adopt new laws or regulations restricting or prohibiting the medical or adult-use of cannabis where it is now legal, thereby limiting the Cannabis Industry Participants.

Demand for our products may be negatively impacted depending on how laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions develop. We cannot predict the nature of such developments or the effect, if any, that such developments could have on our business.

Our indirect involvement in the cannabis industry could affect the public's perception of us and be detrimental to our reputation.

Damage to our reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that our retailers and resellers that transact with those businesses might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact our reputation. The increased use of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views with regard to cannabis companies and their activities, whether true or not and the cannabis industry in general, whether true or not. We do not ultimately have direct control over how the cannabis industry is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to our overall ability to advance our business strategy and realize our growth prospects, thereby having a material adverse impact on our business.

In addition, third parties with whom we may do business could perceive that they are exposed to reputational risk as a result of the involvement of some of our customers in the cannabis business. Failure to establish or maintain business relationships due to reputational risk arising in connection with the nature of our business could have a material adverse effect on our business, financial condition and results of operations.

Businesses involved in the cannabis industry, and investments in such businesses, are subject to a variety of laws and regulations related to money laundering, financial recordkeeping, and proceeds of crimes.

We sell our products through our website, www.Zenhydro.com, as well as through online third party retail platforms which do not exclusively sell to customers operating in the cannabis industry. Nonetheless, some of our customers may be using our products for purposes of cultivating cannabis. Investments in the U.S. cannabis industry are subject to a variety of laws and regulations that involve money laundering, financial recordkeeping and proceeds of crime, including the BSA, as amended by the U.S. PATRIOT Act, other anti-money laundering laws, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States. In February 2014, the Financial Crimes Enforcement Network of the Treasury Department ("FinCEN") issued a memorandum (the "FinCEN Memo") providing guidance to banks seeking to provide services to cannabis businesses. The FinCEN Memo outlines circumstances under which banks may provide services to cannabis businesses without risking prosecution for violation of U.S. federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to U.S. federal prosecutors relating to the prosecution of U.S. money laundering offenses predicated on cannabis violations of the CSA and outlines extensive due diligence and reporting requirements, which most banks have viewed as onerous. On June 29, 2020, FinCEN issued additional guidance for financial institutions conducting due diligence and filing suspicious activity reports in connection with hemp-related business customers. While these guidelines clarify that financial institutions are not required to file suspicious activity reports solely based on a customer's hemp-related business operations, which must be operating lawfully under applicable state law and regulations, these requirements can still present challenges for certain end users of our products to establish and maintain banking connections, and restrictions on cannabis-related banking activities remain. In September 2019, the United States House of Representatives passed the SAFE Banking Act, which would permit commercial banks to offer services to cannabis companies that are in compliance with state law, but the Senate has not taken up the SAFE Banking Act or other similar legislation.

Risks Related to Our Common Stock

There is presently no public market for our common stock and, while we intend to list our share of Common Stock on the Nasdaq Capital Market, you may face illiquidity or limited trading ability upon completion of our public offering.

Our Common Stock is not presently traded on any market. While we anticipate commencing trading on the Nasdaq Stock Market, LLC's Nasdaq Capital Market following commencement of this offering, there is no guarantee that we will be able to successfully commence trading or that an active public trading market will develop or be sustained following completion of this offering, which may result in you having limited liquidity in your shares. In addition, future sales of our common stock in the public market could cause the market price of our Common Stock to decline.

Our founders, officers and directors control, and will continue to control, our company for the foreseeable future, including the outcome of matters requiring stockholder approval.

After completion of this offering, our founders, officers and directors collectively will beneficially own approximately 58.3% of our outstanding shares of Common Stock. As a result, such individuals will, for the foreseeable future, have the ability, acting together, to control the election of our directors and the outcome of corporate actions requiring stockholder approval, such as: (i) a merger or a sale of our company, (ii) a sale of all or substantially all of our assets, and (iii) amendments to our articles of incorporation and bylaws. This concentration of voting power and control could have a significant effect in delaying, deferring, or preventing an action that might otherwise be beneficial to our other stockholders and be disadvantageous to our stockholders with interests different from those entities and individuals. Certain of these individuals also have significant control over our business, policies and affairs as officers or directors of our company. Therefore, you should not invest in reliance on your ability to have any control over our company. See "Principal Stockholders" for further discussion of the stockholding of our founders and principal stockholders.

Future sales of our Common Stock in the public market could cause the market price of our Common Stock to decline.

Sales of a substantial number of shares of our Common Stock in the public market after this offering, or the perception that these sales might occur, could depress the market price of our Common Stock and could impair our ability to raise capital through the sale of additional equity securities. Based on the number of shares of Common Stock outstanding as of April 26, 2021, upon the closing of this offering, we will have 27,550,247 shares of Common Stock outstanding (assuming no exercise of the underwriters' option to purchase additional shares from us) or 28,300,247 shares of Common Stock if the underwriters' option to purchase additional shares is exercised in full.

All of the Common Stock sold in this offering will be freely tradable without restrictions or further registration under the Securities Act of 1933, as amended, or the Securities Act, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act. The remaining 21,604,496 shares of Common Stock outstanding after this offering, based on shares outstanding as of April 26, 2021, will be restricted as a result of securities laws, lock-up agreements or other contractual restrictions that restrict transfers for at least 180 days after the date of this prospectus, subject to certain extensions. See also the section of this prospectus captioned "***Shares Eligible for Future Sale***."

The underwriters may, in their sole discretion, release all or some portion of the shares subject to lock-up agreements with the underwriters prior to expiration of the lock-up period. See also the section of this prospectus captioned "***Shares Eligible for Future Sale***." For more information regarding the lock-up agreements with the underwriters see the section of this prospectus captioned "***Underwriting***."

General Risk Factors Related to our Common Stock and this Offering

There are risks, including stock market volatility, inherent in owning our common stock.

The market price and volume of our common stock have been, and may continue to be, subject to significant fluctuations. These fluctuations may arise from general stock market conditions, the impact of risk factors described herein on our results of operations and financial position, or a change in opinion in the market regarding our business prospects or other factors, many of which may be outside our immediate control.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Common Stock.

The decision to pay cash dividends on our Common Stock rests with our board of directors and will depend on our earnings, unencumbered cash, capital requirements and financial condition. We do not anticipate declaring any dividends in the foreseeable future, as we intend to use any excess cash to fund our operations and growth. Investors in our Common Stock should not expect to receive dividend income on their investment, and investors will be dependent on the appreciation of our Common Stock to earn a return on their investment.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through borrowing funds, the sale of convertible notes and equity securities, and the sales of our products. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of Common Stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our Common Stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our Common Stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our Common Stock and diluting their interests.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an "emerging growth company." The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Stock Market, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our Company and, as a result, the value of our Common Stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, to furnish a report by management on the effectiveness of our internal control over financial reporting for the fiscal year ending June 30, 2022. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company." We have recently commenced the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, but we may not be able to complete our evaluation, testing and any required remediation in a timely fashion once initiated. Our compliance with Section 404 will require that we incur substantial accounting expenses and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our Common Stock could decline, and we could be subject to sanctions or investigations by the Nasdaq Stock Market, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

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," as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act, and, for as long as we continue to be an "emerging growth company," we intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies but not to "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 our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an "emerging growth company" for up to five years following the effectiveness of this registration statement, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1.07 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our common stock that is held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three year period.

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 the fiscal year in which (1) the market value of our Common Stock held by non-affiliates exceeds $250 million as of the prior June 30, or (2) our annual revenues exceeded $100 million during such completed fiscal year and the market value of our Common Stock held by non-affiliates exceeds $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. After we are no longer an "emerging growth company," we expect to incur additional management time and cost to comply with the more stringent reporting requirements applicable to companies that are deemed accelerated filers or large accelerated filers, including complying with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

You will experience further dilution if we issue additional equity or equity-linked securities in the future.

If we issue additional shares of common stock, or securities convertible into or exchangeable or exercisable for shares of common stock, our stockholders, including investors who purchase shares of common stock in this offering, will experience additional dilution, and any such issuances may result in downward pressure on the price of our common stock. We also cannot assure you that we will be able to sell shares or other securities in any other offering at a price per share that is equal to or greater than the price per share paid by investors in this offering, and investors purchasing shares or other securities in the future could have rights superior to existing stockholders.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Common Stock, the market price for our Common Stock and trading volume could decline.

The trading market for our Common Stock will be influenced by research or reports that industry or securities analysts publish about our business. If industry or securities analysts decide to cover us and in the future downgrade our Common Stock, the market price for our securities would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our Common Stock to decline.

We have broad discretion in the use of the net proceeds we receive from this offering.

Our management will have broad discretion in the application of the net proceeds we receive in this offering, including for any of the purposes described in the section entitled "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether our management is using the net proceeds appropriately. Because of the number and variability of factors that will determine our use of our net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Pending their use, we may invest our net proceeds from this offering in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our stockholders.

Upon becoming publicly-traded and after an active trading market develops, the market price of our common stock may be significantly volatile.

If our securities become publicly-traded and even if an active market for our common stock develops, of which no assurances can be given, the market price for our common stock may be volatile and subject to wide fluctuations in response to factors including the following:

- actual or anticipated fluctuations in our quarterly or annual operating results;
- changes in financial operational estimates or projections;
- conditions in markets generally;
- changes in the economic performance or market valuations of companies similar to ours; and
- general economic or political conditions in the United States and elsewhere.

The securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of shares of our common stock.

In the event of liquidation or dissolution of our company, you may not recoup all or any portion of your investment.

In the event of a liquidation, dissolution or winding-up of our company, whether voluntary or involuntary, the proceeds and/or assets of our company remaining after giving effect to such transaction, and the payment of all of our debts and liabilities will be distributed to the stockholders of common stock on a pro rata basis. There can be no assurance that we will have available assets to pay to the holders of common stock, or any amounts, upon such a liquidation, dissolution or winding-up of our Company. In this event, you could lose some or all of your investment.

USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately $45 million, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by the Company. If the underwriters exercise their over-allotment option to purchase additional shares in full, we estimate that our net proceeds will be approximately $52 million, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering primarily to expand our e-commerce platform, inventory (including capitalizing on the ability to make bulk purchases), operations (including improving analytics and expanding our online sales platforms), research and development, intellectual property portfolio and for general corporate purposes, including strategic acquisitions that will allow us to increase our retail brands, expand geographically and target the commercial hydroponic market. The timing and amount of our actual expenditures will be dependent on several factors, including cash flows from operations and the anticipated growth of our enterprise. We have not yet determined the amount of net proceeds to be used specifically for any particular purpose or the estimated timing of such expenditures. Accordingly, our management will have significant discretion and flexibility in applying the net proceeds obtained from this offering. Pending their use, we intend to invest the net proceeds from this offering in short-term, investment-grade, interest-bearing instruments.

We believe that the net proceeds from this offering, together with our existing cash on hand, cash equivalents and investments, will enable us to fund our operations, acquisitions and continued growth and development through at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong and we could use our available capital resources more quickly than currently anticipated.

DIVIDEND POLICY

The Company has never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our Board of Directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, tax considerations, legal or contractual restrictions, business prospects, the requirements of current or then-existing debt instruments, general economic conditions and other factors our Board of Directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2020:

- on an actual basis;
- on a pro forma basis to give effect to (i) the conversion into Common Stock of (a) 34,500 shares of series A convertible preferred stock sold in the December 2020 private placement, and (b) all outstanding 6% convertible notes sold in the January 2021 private placement; (ii) the exercise of warrants to issue common stock of (a) warrants held by Boustead Securities, LLC to purchase 2,415 shares of Series A convertible preferred stock, which shall be converted to 3,450 shares of Common Stock, (b) warrants entitling the convertible note holders to purchase shares of Common Stock, which equals 80% of the number of shares of Common Stock issuable upon conversion of the Convertible Notes; and (c) warrants held by Boustead Securities, LLC to purchase 7% of the shares of Common Stock underlying the Convertible Note; and (iii) the vesting of 6,317 shares of Restricted Stock Units, which units will be issuable to certain of our employees and directors under our 2020 Equity Incentive Plan following completion of this offering; (iv) the filing of our fifth amended and restated articles of incorporation to eliminate our designated 166,000,0000 shares of Class A Common Stock and 14,000,000 shares of Class B Common Stock and authorize 180,000,000 shares of Common Stock; and
- on a pro forma as-adjusted basis to give effect to (i) the sale of $50 million of shares of Common Stock in this offering at the assumed initial public offering price of $10 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The adjusted information below is illustrative and our capitalization following the completion of this offering is subject to adjustment based on the actual public offering price of our Common Stock and other terms of this offering determined at pricing.

You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Capital Stock" and our consolidated and combined and combined financial statements and related notes included elsewhere in this prospectus.

	As of December 31, 2020		
	Actual	Pro Forma (Unaudited)	Pro Forma As Adjusted (unaudited)(1)
	(in thousands, except share data)		
Cash and cash equivalents	$ 544	$ 7,452	$ 52,311
Redeemable preferred stock, par value $0.001 per share; 20,000,000 shares authorized; 34,500 shares issued and outstanding at December 31, 2020; no shares issued and outstanding on pro forma and pro forma as adjusted basis	$ 345	$ –	$ –
Long term liabilities, less current portion	$ 2,022	$ 2,022	$ 2,022
Stockholders' equity			
Class A Common Stock, par value $0.001 per share; 166,000,000 authorized shares, Class B Common Stock, par value $0.001 per share; 14,000,000 authorized shares; 20,204,496 shares of Class A Common Stock and 14,000,000 shares of Class B Common Stock issued and outstanding, as of December 31, 2020, actual, and 22,550,247 shares of Common Stock, on a pro forma basis; 27,550,247 shares of Common Stock, on a pro forma as adjusted basis;*	$ 34	$ 23	$ 28
Additional paid-in capital	$ 389	$ 7,845	$ 52,691
Retained earnings	$ 3,858	$ 3,675	$ 3,675
Total stockholders' equity	$ 4,281	$ 11,543	$ 56,394
Total Capitalization	$ 6,648	$ 13,565	$ 58,416

* On April 23, 2021, the Company filed our fifth amended and restated articles of incorporation to eliminate our designated 166,000,000 shares of Class A Common Stock and 14,000,000 shares of Class B Common Stock and authorize 180,000,000 shares of Common Stock; immediately prior thereto, all of our Class B common stock converted into Class A common stock on a 10-for-one basis (converting into a total of 1,400,000 shares of Class A Common Stock).

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $10.00 per share would increase (decrease) each of our as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately $4.65 million, assuming the number of shares of Common Stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of Common Stock offered by us would increase (decrease) each of our as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity, and total capitalization by approximately $9.30 million, assuming the assumed initial public offering price of $10.00 per share remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their over-allotment option in full, as adjusted, cash and cash equivalents, additional paid-in capital, total stockholders' equity, total capitalization and shares of Common Stock outstanding as of December 31, 2020 would be approximately $59.3 million, $59.7 million, $63.4 million, $65.4 and 28,300,247 shares, respectively.

Except as otherwise indicated herein, the number of shares of our Common Stock to be outstanding after this offering is based upon 21,604,496 shares of Common Stock outstanding as of April 26, 2021 and includes a total of 415,978 shares of Common Stock issuable upon exercise of warrants as a

result of the likelihood to exercise due to the current share price, and 6,317 shares of Restricted Stock Unit.

DILUTION

If you invest in this offering, your ownership interest will be diluted to the extent of the difference between the public offering price per share of our Common Stock and the as adjusted net tangible book value per share of our Common Stock immediately after the closing of this offering.

Our net tangible book value as of December 31, 2020 was approximately $4.28 million, or $0.21 per share. Net tangible book value per share is determined by dividing our total tangible assets, less total liabilities, by the number of shares of our common stock outstanding as of December 31, 2020. Dilution with respect to net tangible book value per share represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the net tangible book value per share of our Common Stock immediately after this offering.

After giving effect to the sale of $50.0 million of shares of our Common Stock in this offering at the assumed initial public offering price of $10.0 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, taking into account the automatic conversion of our Series A preferred stock that was issued in our December 2020 private placement, the conversion of the 6% convertible notes issued in our January 2021 private placement, the vesting of 6,317 restricted stock units issuable to certain employees and directors under our 2020 Equity Incentive Plan following completion of this offering, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters' over-allotment option in full, our as adjusted net tangible book value as of December 31, 2020, would have been approximately $56.5 million, or $2.05 per share. This represents an immediate increase in net tangible book value of $1.84 per share to existing stockholders. Investors purchasing our Common Stock in this offering will have paid $7.95 more than the as adjusted net tangible book value per share after this offering. The following table illustrates this on a per share basis to new investors:

Assumed initial public offering price per share			$	10.00
Net tangible book value per share as of December 31, 2020 *	$	0.21		
Increase per share attributable to new investors	$	1.84		
As adjusted net tangible book value per share after this offering	$	2.05		
As adjusted net tangible book value per share to investors purchasing shares in this offering			$	2.05
Dilution in net tangible book value per share to new investors			$	7.95
Dilution as a percentage of purchase price in this offering				79.5%

(*) The above table does not include the Class B Common Stock that was eligible for conversion, at the option of the holders, into a total of 1,400,000 shares of Class A Common Stock. On April 14, 2021, our two founders converted all of their shares of Class B Common Stock into 1,400,000 additional shares of Class A Common Stock, bringing their total ownership to an aggregate of 16,046,668 shares of Class A Common Stock or 74.3% of the 21,604,496 shares of Class A Common Stock outstanding as of the date of this prospectus. On April 14, 2021, we amended and restated our articles of incorporation to permit the immediate conversion of the Class B Common Stock and to eliminate any future issuances of Class B Common Stock, and on April 23, 2021, we further amended and restated our articles of incorporation to eliminate all references to Class A and Class B Common Stock and authorized for issuance 180,000,000 shares which are solely designated as Common Stock.

Each $1.00 increase (decrease) in the assumed public offering price of $10.00 per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the adjusted net tangible book value per share after this offering by approximately $0.17, and dilution in as adjusted net tangible book value per share to new investors by approximately $0.17 after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by the Company, and assuming no exercise of the underwriters' over-allotment option in full.

If the underwriters exercise their over-allotment option in full in this offering, the as adjusted net tangible book value after the offering would be $2.24 per share, the increase in as adjusted net tangible book value per share to existing stockholders would be $2.03 per share and the dilution per share to new investors would be $7.76 per share, in each case assuming an public offering price of $10.00 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus.

Except as otherwise indicated herein, the number of shares of our Common Stock to be outstanding after this offering is based on 22,550,247 shares of Common Stock outstanding on April 26, 2021, on an as converted basis, which includes a total of 415,978 shares of our Common Stock issuable upon exercise of warrants; and (ii) a total of 523,456 shares of our Common Stock issuable upon exercise of conversion options.

The following table sets forth on a pro forma as adjusted basis, at December 31, 2020, the number of shares of Common Stock, on an as converted basis, purchased or to be purchased from us, the total consideration paid or to be paid and the average price per share paid or to be paid by existing holders of Common Stock, by holders of options and warrants outstanding at December 31, 2020, and by the new investors, before deducting estimated underwriting discounts and estimated offering expenses payable by us. The below table gives effect to the conversion by our two founders of all of their shares of Class B Common Stock into 1,400,000 additional shares of Common Stock.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders*	22,550,247	81.9%	$ 7,796,204	13.5%	$ 0.35
New investors	5,000,000	18.1%	50,000,000	86.5%	10.00
Total	27,550,247	100.0%	$ 57,796,204	100.0%	

(*) Existing stockholders includes, on an as converted basis, all outstanding shares of Series A convertible preferred stock, all shares issuable upon conversion of the 6% convertible notes, and the vesting of 6,317 Restricted Stock Unit shares of Common Stock.

To the extent that any outstanding conversion options or warrants are exercised, new options, warrants or restricted stock units are issued under our stock-based compensation plans, or new shares of preferred stock are issued, or we issue additional shares of Common Stock in the future, there will be further dilution to investors participating in this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis should be read in conjunction with our financial statements and the related notes thereto included elsewhere herein. The Management's Discussion and Analysis ("MD&A") contains forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect," and the like, and/or future-tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements in this form. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors.

Historical results may not indicate future performance. Our forward-looking statements reflect our current views about future events, are based on assumptions and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by these statements. We undertake no obligation to publicly update or revise any forward-looking statements, including any changes that might result from any facts, events, or circumstances after the date hereof that may bear upon forward-looking statements. Furthermore, we cannot guarantee future results, events, levels of activity, performance, or achievements.

Overview

iPower Inc. is an online hydroponic equipment supplier based in the United States. Through the operations of our e-commerce platform, www.Zenhydro.com, and our combined 72,000 square foot fulfillment centers in Los Angeles, California, we believe we are one of the leading marketers, distributors and retailers of grow-light systems, ventilation systems, activated carbon filters, nutrients, growing media, hydroponic water-resistant grow tents, trimming machines, pumps and accessories for hydroponic gardening, based on management's estimates. We have a diverse customer base that includes commercial users and individuals. Our core strategy continues to focus on expanding our geographic reach across the United States through organic growth, both in terms of expanding customer base as well as brand and product development.

We are actively developing and acquiring our in-house branded products, which to date include the ***iPower*** and ***Simple Deluxe*** brands, and consist of more than 2,600 SKUs of products such as grow-light systems, ventilation systems, activated carbon filters, nutrients, growing media, hydroponic water-resistant grow tents, trimming machines, pumps and many more hydroponic-related items; some of which have been designated as Amazon best seller product leaders, among others. For the second half of 2020, our top five product segments consisted of nutrients (17% of total sales), ventilation systems (16% of sales), grow light systems (9% of sales), air filtration devices (8% of sales) and gardening equipment (5% of sales). While we will continue focusing on our top products, we are working to expand its product line to include nutrients.

Trends and Expectations

Product and Brand Development

We plan to increase investments in product and brand development. We actively evaluate and pursue acquisitions of product brand names and improvements on existing products.

COVID-19 Outbreak

We are continuing to closely monitor the impact of the COVID-19 outbreak on our business, results of operations and financial results. The situation surrounding the COVID-19 outbreak remains fluid and the full extent of the positive or negative impact of the COVID-19 outbreak on our business will depend on certain developments including the length of time that the outbreak continues, the impact on consumer activity and behaviors and the effect on our customers, employees, suppliers, and stockholders, all of which are uncertain and cannot be predicted. See "*Risk Factors*" beginning on page 13 for additional details. Our focus remains on promoting the health, safety and financial security of our employees and serving our customers. As a result, we have taken a number of precautionary measures, including implementing social distancing and enhanced cleaning measures in our facilities, suspending all non-essential travel, transitioning certain of our employees to working-from-home arrangements, reimbursing certain employee technology purchases, providing emergency paid time off and targeted hourly pay increases and developing no contact delivery methods.

In an effort to contain or slow the COVID-19 outbreak, authorities across the world have implemented various measures, some of which have been subsequently rescinded or modified, including travel bans, stay-at-home orders and shutdowns of certain businesses. We anticipate that these actions and the global health crisis caused by the COVID-19 outbreak, including any resurgences, will continue to negatively impact global economic activity. While the COVID-19 outbreak has not had a material adverse impact on our operations to date and we believe the long-term opportunity that we see for shopping online remains unchanged, it is difficult to predict all of the positive or negative impacts the COVID-19 outbreak will have on our business.

In the short term, we have continued to see increased sales and order activity in the market since the COVID-19 outbreak. In order to keep up with the increased orders, we have hired and are continuing to hire additional personnel. However, much is unknown and accordingly the situation remains dynamic and subject to rapid and possibly material change. We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state, local or foreign authorities, or that we determine are in the best interests of our customers, employees, suppliers, stockholders and communities.

Regulatory Environment

We sell hydroponic gardening products to end users that may use such products in new and emerging industries or segments, including the growing of cannabis. The demand for hydroponic gardening products depends on the uncertain growth of these industries or segments due to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions. For example, certain countries and a total of 44 U.S. states plus the District of Columbia have adopted frameworks that authorize, regulate and tax the cultivation, processing, sale and use of cannabis for medicinal and/or non-medicinal use, including legalization of hemp and CBD, while the U.S. Controlled Substances Act and the laws of U.S. states prohibit growing cannabis. Demand for our products could be impacted by changes in the regulatory environment with respect to such industries and segments.

RESULTS OF OPERATIONS

For the six months ended December 31, 2020 and 2019

The following table presents certain unaudited condensed consolidated and combined statement of operations information and presentation of that data as a percentage of change from period to period.

	Six Months Ended December 31, 2020	Six Months Ended December 31, 2019	Variance
Revenues	$ 26,214,252	$ 15,506,231	69.06%
Cost of goods sold	$ 15,703,873	$ 10,098,357	55.51%
Gross profit	$ 10,510,379	$ 5,407,874	94.35%
Selling, general and administrative expenses	$ 8,580,900	$ 4,603,669	86.39%
Operating income	$ 1,929,479	$ 804,205	139.92%
Other (expenses)	$ (69,133)	$ (2,030)	3,305.57%
Income before income taxes	$ 1,860,346	$ 802,175	131.91%
Income tax expenses	$ 522,874	$ 224,953	132.44%
Net income	$ 1,337,472	$ 577,222	131.71%
Gross profit % of revenues	40.09%	34.88%	
Net income % of revenues	5.10%	3.72%	

Revenues

Revenues for the six months ended December 31, 2020 increased 69.06% to $26,214,252 as compared to $15,506,231 for the six months ended December 31, 2019. While pricing remained stable, the increased revenue mainly resulted from an increase in sales volume. In addition to our organic growth, which we achieved as a result of improved products and more effective online marketing efforts, the increase in sales was attributable to more people shopping online and pursuing gardening and growing projects during the COVID-19 pandemic. However, we cannot assure that this trend will continue, and our business may be adversely affected by poor overall economic conditions caused by the ongoing COVID-19 pandemic.

Costs of Goods Sold

Costs of goods sold for the six months ended December 31, 2020 increased 55.51% to $15,703,873 as compared to $10,098,357 for the six months ended December 31, 2019. The increase was due to an increase in sales as discussed above. In addition, we experienced a decrease of cost of goods sold as a percentage of revenue as a result of selling more products under in-house brands as opposed to third party brands. See discussions on gross profit below.

Gross Profit

Gross profit was $10,510,379 for the six months ended December 31, 2020 as compared to $5,407,874 for the six months ended December 31, 2019. The gross profit ratio also increased to 40.09% for the six months ended December 31, 2020 from 34.88% for the six months ended December 31, 2019. The increase was due to a combination of an increase in sales as discussed above and a decrease of cost of goods sold resulting from selling more products under in-house brands as opposed to third party brands. The gross margin for in-house branded products is, on average, 20% higher than our gross margin for third party brands.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the six months ended December 31, 2020 increased 86.39% to $8,580,900 as compared to $4,603,669 for the six months ended December 31, 2019. The increase was mainly due to an increase in selling expenses of $2.22 million and G&A expenses of $1.75 million, which included payroll expenses and other operating expenses.

Other Income/(Expense)

Other (expenses) consists of interest expense, financing fees and other non-operating income (expenses). Other expenses for the six months ended December 31, 2020 was $69,133 as compared to $2,030 for the six months ended December 31, 2019. The increase in other expenses was mainly due to an increase in interest expenses and financing fees.

Net Income

Net income for the six months ended December 31, 2020 was $1,337,472 as compared to net income of $577,222 for the six months ended December 31, 2019, representing an increase of $760,250. The increase in net income for the six months ended December 31, 2020 as compared to that of 2019 was primarily due to the increase in sales being higher than the increase in cost of goods sold, thereby increasing the Company's gross profit margin and net income.

For the year ended June 30, 2020 and 2019

The following table presents certain consolidated and combined statement of operations information and presentation of that data as a percentage of change from year to year.

	Year Ended June 30, 2020	Year Ended June 30, 2019	Variance
Revenues	$ 39,938,472	$ 22,842,765	74.84%
Cost of goods sold	$ 24,810,907	$ 14,967,248	65.77%
Gross profit	$ 15,127,565	$ 7,875,517	92.08%
Selling, general and administrative expenses	$ 12,219,616	$ 7,040,844	73.55%
Operating income	$ 2,907,949	$ 834,673	248.39%
Other income (expenses)	$ (147,549)	$ (110,779)	33.19%
Income before income taxes	$ 2,760,400	$ 723,894	281.33%
Income tax expenses	$ 773,438	$ 195,496	295.63%
Net income	$ 1,986,962	$ 528,398	276.04%
Gross profit % of revenues	37.88%	34.48%	
Net income % of revenues	4.98%	2.31%	

Revenues

Revenues for the fiscal year ended June 30, 2020 increased 74.84% to $39,938,472 as compared to $22,842,765 for the fiscal year ended June 30, 2019. While pricing remained stable, the increased revenue mainly resulted from increase in sales volume. In addition to our organic growth, which we achieved through selling improved products and more effective online marketing efforts, the increase in sales was attributable to more people shopping online and pursuing gardening and growing projects during the COVID-19 pandemic. However, we cannot ensure that this trend will continue, and our business may be adversely affected by poor overall economic condition caused by the COVID-19 pandemic.

Costs of Goods Sold

Costs of goods sold for the fiscal year ended June 30, 2020 increased 65.77% to $24,810,907 as compared to $14,967,248 for the fiscal year ended June 30, 2019. The increase was due to an increase in sales as discussed above.

Gross Profit

Gross profit was $15,127,565 for the year ended June 30, 2020 as compared to $7,875,517 for the year ended June 30, 2019. The gross profit ratio also increased to 37.88% for the year ended June 30, 2020 from 34.48% for the year ended June 30, 2019. The increase was due to a combination of increase in sales as discussed above and decrease of cost of goods sold resulting from selling more products under in-house brands than third party brands. The gross margin for in-house branded products are, on average, 20% higher than our gross margin for third party brands.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the year ended June 30, 2020 increased 73.55% to $12,219,616 as compared to $7,040,844 for the year ended June 30, 2019. The increase was mainly due to an increase in payroll expenses and overall operating activities as discussed above.

Other Income/(Expense)

Other income (expenses) consists of interest expense and other non-operating income (expenses). Other expenses for our fiscal year ended June 30, 2020 was $147,549 as compared to other expenses of $110,779 for the year ended June 30, 2019. The increase was mainly due to an increase in interest expenses.

Net Income

Net income for the fiscal year ended June 30, 2020 was $1,986,962 as compared to net income of $528,398 for the year ended June 30, 2019, representing an increase of $1,458,564. The increase in net income for our fiscal year 2020 compared to that of 2019 was primarily due to the increase in sales being higher than the increase in cost of goods sold, thereby increasing gross profit margin and net income.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

During the years ended June 30, 2020 and 2019, we primarily funded our operations with cash and cash equivalents generated from operations, as well as through borrowing under our credit facility and loans from the Small Business Administration. We had cash and cash equivalents of $977,635 as of June 30, 2020, representing a $506,177 increase from $471,458 of cash as of June 30, 2019. The cash increase was primarily the result of the increase in net cash provided by operating activities, borrowing from a revolving credit line and loans. The loans and lines of credit consisted of the following: (i) a PPP Loan, dated April 13, 2020 (the “PPP Loan”), with Royal Business Bank, pursuant to which we received a $175,500 loan, with a two year term and bearing an interest rate of 1% per annum, which PPP Loan was fully forgiven on March 22, 2021; (ii) a Small Business Administration Loan, dated April 18, 2020 (the “SBA Loan”), pursuant to which we received $500,0000 in exchange for issuing a 30-year, $500,000 note bearing an interest rate of 3.75% per annum, with repayment of $2,437 per month to commence on the one year anniversary date of the SBA Loan; and (iii) a Loan and Security Agreement with WFC Fund, LLC (“WFC”), dated May 3, 2019 (the “Loan and Security Agreement”), pursuant to which WFC provided us a $2,000,000 revolving loan facility with a one year maturity date, which had an interest rate equal to the prime rate plus 4.25% per annum. The Company’s obligations under the Loan and Security Agreement were secured by all of the Company’s assets and guaranteed by Allan Huang, a former director and executive officer and one of our major shareholders and founders. On May 26, 2020, the Loan and Security Agreement was amended and restated as a Receivables Purchase Agreement (the “Original RPA”), pursuant to which WFC may, but is not obligated to, purchase accounts receivable from the Company from time to time. The credit limit of the revolving facility under the Original RPA was $2,000,000, which had a discount rate equal to the prime rate plus 4.25% per annum on the outstanding amount. This revolving credit facility is secured by all of the Company’s assets and guaranteed by Mr. Huang. Pursuant to the Original RPA, the purchases of accounts receivable were made with full recourse to the Company, and the Company was obligated to collect the accounts receivables and to repurchase or pay back the amount drawn if the accounts receivable were not collected. On November 16, 2020, the Original RPA was further amended and restated (the “Restated RPA”) to increase the credit limit of the revolving facility from $2,000,000 to $3,000,000, which bears a discount rate of 3.05555%, subject to a rebate of 0.0277% per day . This revolving credit facility is secured by all of the Company’s assets and guaranteed by Chenlong Tan, our CEO, President and one of our major shareholders and founders. Pursuant to the agreement, all purchases of accounts receivables are without recourse to the Company, and WFC assumes the risk of nonpayment of the accounts receivable due to a customer’s financial inability to pay the accounts receivable or the customer’s insolvency (“Credit Risk”) but not the risk of non-payment of the accounts receivable for any other reason. The Company is obligated to collect the accounts receivables and to repurchase or pay back the amount drawn if the accounts receivable are not collected for any reason other than Credit Risk. The Restated RPA has an initial term of 12 months and automatically renews for successive 12-month periods on each anniversary of the Restated RPA, unless either party notifies the other party prior to the renewal date (or, in the case of WFC, at any time a default is continuing under the Restated RPA) that such notifying party is terminating the Restated RPA. If the Restated RPA is terminated six months or more prior to its then-scheduled termination date, the Company is obligated to pay WFC a termination fee equal to 1% of the facility limit. We do not believe that the terms of the Restated RPA will materially change our ability to access funds, other than by providing us with an additional $1,000,000 in potential cash availability through the revolving credit facility. The loans and revolving credit facility are discussed in greater detail in Note 8 and Note 15 to our financial statements for the years ended June 30, 2020 and June 30, 2019.

During the six months ended December 31, 2020, we primarily funded our operations with cash and cash equivalents generated from operations as well as through borrowing under our credit facility. During that period, we borrowed a total of $300,000 from two unrelated parties to meet our short-term cash flow needs. The loans bear interest at the rate of 8% per annum and may be repaid at any time without penalty. As of the date if this filing, the Company had fully repaid the outstanding amount. As of December 31, 2020, we had cash and cash equivalents of $544,073, representing a $433,562 decrease from $977,635 of cash as of June 30, 2020. The cash decrease was primarily the result of the decrease in net cash provided by operating activities. During the six months ended December 31, 2020, we had increased our purchase of products in order to maintain the higher inventory level required to meet our increasing sales. Based on our current operating plan, and despite the current uncertainty resulting from the COVID-19 pandemic, we believe that our existing cash and cash equivalents, cash flows from operations and available funds under our credit facility will be sufficient to finance our operations through at least the next twelve months.

On December 30, 2020, we closed on a private placement offering pursuant to which we sold to three accredited investors an aggregate of $345,000 in Series A convertible preferred stock, at a purchase price of $10.00 per share, which stock will convert into Common Stock upon completion of this initial public offering (the “Offering”) at a discount of 30% to the IPO per share purchase price. The offering was completed pursuant to an exemption from registration under Rule 506(b) of the Securities Act of 1933, as amended.

On January 27, 2021, we completed a private placement offering pursuant to which we sold to two accredited investors an aggregate of $3,000,000 of our 6% convertible notes due six months from the date of issuance, subject to extension as provided below (the “Convertible Notes”). Upon completion of this offering, assuming we sell not less than $15,000,000 of our Common Stock, the Convertible Notes will automatically convert into shares of Common Stock at a conversion price equal to the lesser of (a) $7.00 per share, representing a 30% discount to the public offering price per share of the Common Stock in this offering, or (b) $_$6.33 per share, representing a 30% discount to the price per share equal to dividing $200 million by the total number of (x) the 21,604,496 outstanding shares of Common Stock immediately prior to the IPO, (y) the 49,286 shares of Common Stock issuable upon conversion of the 34,500 shares of Series A Preferred Stock, and (z) the 474,170 shares of Common Stock issuable upon conversion of all outstanding Convertible Notes. Boustead Securities LLC acted as placement agent in both the December 30, 2020 and the January 27, 2021 private placements.

In the event the Company does not receive a minimum of $15,000,000 of gross proceeds in the Offering or otherwise close on the Offering, the Convertible Notes will bear interest at a rate of 6% per annum which shall accrue from January 27, 2021 and be repayable in six equal monthly installments between July 27, 2021 and January 27, 2022. Alternatively, the Convertible Notes may be converted at the conversion price into Common Stock at the option of the holder prior to the maturity date. If the notes are converted, either on a Mandatory Conversion basis or at the option of the holder, any interest accrued on the Convertible Note shall be waived.

In addition to the Convertible Notes, the purchasers of the Convertible Notes received three-year warrants entitling the holders to purchase 379,336 shares of Common Stock which equals 80% of the number of shares of Common Stock issuable upon conversion of the Convertible Notes. In the event the Convertible Notes are repaid in cash by the Company, the warrants will expire and have no further value.

Working Capital

As of December 31, 2020, June 30, 2020 and 2019, our working capital was $4,005,659, $3,161,389 and $29,082, respectively. The historical seasonality in our business during the year can cause cash and cash equivalents, inventory, and accounts payable to fluctuate, resulting in changes in our working capital.

Cash Flows

Operating Activities

Net cash (used in) / provided by operating activities for the six months ended December 31, 2020 and 2019 was ($1,467,067) and $318,958, respectively. The increase in use of cash in operating activities resulted from the increased purchase of products in order to maintain the higher inventory levels required to meet our increasing sales volumes.

Net cash provided by operating activities for the years ended June 30, 2020 and 2019 was $1,109,043 and $706,899, respectively. The increase was the result of a combination of increase in operating income and the higher balance of accounts payable and other liabilities due to temporary, favorable payment terms granted by our top vendor, as well as improvements in cash management.

Investing Activities

For the six months ended December 31, 2020 and 2019, net cash used in investing activities was the result of additions to property and equipment of ($55,751) and ($6, 252), respectively, which were mainly related to the purchase of warehouse fixture and office equipment.

For the years ended June 30, 2020 and 2019, net cash used in investing activities was the result of additions to property and equipment of ($6,252) and $0, respectively, which are mainly related to the purchase of office equipment.

Financing Activities

Net cash provided by / (used in) financing activities was $1,089,256 and ($361,819), respectively, for the six months ended December 31, 2020 and 2019. The main reason for the increase in net cash provided was primarily a result of proceeds from our revolving facility with WFC and the closing of our private placement of an aggregate of $345,000 in Series A convertible preferred stock.

Net cash used in financing activities was ($596,614) and ($235,541), respectively, for the years ended June 30, 2020 and 2019. The main reason for the increase in net cash used was primarily due to repayment of debts due to a related party.

October 2019 Share Exchange Agreement and Rescission

In October 2019, we entered into a share exchange agreement (the "Share Exchange Agreement") with Sugarmade, Inc., a Delaware corporation ("Sugarmade"), pursuant to which, among other things, the Company and its stockholders agreed to sell 100% of the issued and outstanding capital stock of the Company to Sugarmade in exchange for $870,000 in cash, $7,130,000 under a promissory note, up to 650,000 shares of Sugarmade's common stock, and up to 3,500,000 shares of Sugarmade's Series B preferred stock.

Due to certain disputes that arose between the parties with respect to certain terms and conditions contained in the Share Exchange Agreement, the parties entered into a Rescission and Mutual Release Agreement on January 15, 2020 (the "Rescission Agreement"). Pursuant to the terms of the Rescission Agreement, the Company and its stockholders returned the shares of Sugarmade common stock and preferred stock and issued to Sugarmade 102,248 (204,496 post forward split) shares of the Company's Common Stock valued at $427,010.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements (as that term is defined in Item 303 of Regulation S-K) that are reasonably likely to have a current or future material effect on our financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

We prepare our consolidated and combined financial statements in accordance with accounting principles generally accepted in the United States, or GAAP and pursuant to the rules and regulations of the Securities Exchange Commission ("SEC"). The preparation of consolidated and combined financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated and combined financial statements and accompanying notes. Actual results could differ from those estimates. In some cases, changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ materially from our estimates. To the extent that there are material differences between these estimates and actual results, our financial condition and results of operations will be affected. We base our estimates on experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. We refer to accounting estimates of this type as critical accounting policies, which we discuss further below. While our significant accounting policies are more fully described in Note 2 to our audited consolidated and combined financial statements, we believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our audited consolidated and combined financial statements.

Variable interest entity

The Company entered into an agreement with E Marketing Solution Inc. (“E Marketing”), an entity incorporated in California and owned by Shanshan Huang, one of the shareholders of the Company. The Company also entered into an agreement with Global Product Marketing Inc. (“GPM”), an entity incorporated in the State of Nevada on September 4, 2020. GPM is owned by Chenlong Tan, the Chairman, CEO, President and one of the majority shareholders of the Company. The Company does not have direct ownership in E Marketing and GPM but has been actively involved in their operations and has the power to direct the activities and significantly impact E Marketing’s and GPM’s economic performance. The Company also bears all the risk of losses and has the right to receive all of the benefits from E Marketing and GPM. As such, in accordance with ASC 810-10-25-38A through 25-38J, E Marketing and GPM are considered variable interest entities (“VIEs”) of the Company and the financial statements of E Marketing and GPM were consolidated from the date of control existed.

Promptly following completion of this offering, Messrs. Huang and Tan have agreed to convey for nominal consideration 100% of the equity of both E Marketing and GPM to the Company, at which time E Marketing and GPM will become wholly-owned subsidiaries of iPower.

Revenue recognition

The Company recognizes revenue from product sales revenues, net of promotional discounts and return allowances, when the following revenue recognition criteria are met: a contract has been identified, separate performance obligations are identified, the transaction price is determined, the transaction price is allocated to separate performance obligations and revenue is recognized upon satisfying each performance obligation. The Company transfers the risk of loss or damage upon shipment, therefore, revenue from product sales is recognized when it is shipped to the customer. Return allowances, which reduce product revenue by the Company’s best estimate of expected product returns, are estimated using historical experience.

The Company evaluates the criteria of ASC 606 - Revenue Recognition Principal Agent Considerations in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. Generally, when the Company is primarily responsible for fulfilling the promise to provide a specified good or service, the Company is subject to inventory risk before the good or service has been transferred to a customer and the Company has discretion in establishing the price, revenue is recorded at gross.

Payments received prior to the shipment of goods to customers are recorded as customer deposits.

The Company periodically provides incentive offers to its customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases and other similar offers. Current discount offers, when accepted by the Company’s customers, are treated as a reduction to the purchase price of the related transaction.

Sales discounts are recorded in the period in which the related sale is recognized. Sales return allowances are estimated based on historical amounts and are recorded upon recognizing the related sales. Shipping and handling costs are recorded as selling expenses.

Inventory

Inventory consists of finished goods ready for sale and is stated at the lower of cost or market. The Company value its inventory using the weighted average costing method. The Company’s policy is to include as a part of cost of goods sold any freight incurred to ship the product from its vendors to warehouses. Outbound freight costs related to shipping costs to customers are considered period costs and reflected in selling, general and administrative expenses. The Company regularly review inventory and consider forecasts of future demand, market conditions and product obsolescence.

If the estimated realizable value of the inventory is less than cost, the Company makes provisions in order to reduce its carrying value to its estimated market value. The Company also reviews inventory for slow moving and obsolescence and records allowance for obsolescence.

Leases

On its inception date, April 11, 2018, the Company adopted ASC 842 – Leases (“ASC 842”), which requires lessees to record right-of-use, or ROU, assets and related lease obligations on the balance sheet, as well as disclose key information regarding leasing arrangements.

ROU assets represent our right to use an underlying asset for the lease terms and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company generally uses its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Business Combination Under Common Control

On December 1, 2018, the Company acquired substantially all of the business assets and assumed certain liabilities from BizRight, LLC ("BizRight") in exchange for total consideration of $2,611,594. BizRight and the Company were both under the same ownership and management from inception, April 11, 2018. As such, under Accounting Standard Codification ("ASC") 805-50, the transaction was accounted for as a transaction under common control. The Company recorded the purchase of assets from BizRight at their historical carrying amounts as if the transfer had occurred at the beginning of the period and the results of operations comprises both BizRight's and iPower's from the beginning of the period to the date of the transfer is completed. The difference between any considerations transferred and the carrying amounts of the net assets acquired was recognized as an equity distribution to the Shareholders.

Commitments and Contingencies

In the normal course of business, the Company is subject to certain contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss has occurred and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments including historical and specific facts and circumstances of each matter.

Earnings per share

Basic earnings per share are computed by dividing net income attributable to holders of common stock by the weighted average number of common stock outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if securities to issue common stock were exercised.

Series A Convertible Preferred Stock

On December 30, 2020, the Company issued a total of 34,500 shares of Series A Convertible Preferred Stock, par value $0.001 per share. Pursuant to the certificate of designations, the Series A Convertible Preferred Stock will automatically convert into shares of the Common Stock (the "Conversion Shares") at a conversion price equal to 70% of the initial price per share of the Common Stock. If the IPO shall not have occurred by December 31, 2021, the Company shall redeem and repurchase for cash all of the outstanding shares of Series A Convertible Preferred Stock for a purchase price equal to (a) the product of multiplying the $10.00 Stated Value of each outstanding share of Series A Convertible Preferred Stock by the total number of outstanding shares of Series A Convertible Preferred Stock, plus (b) all accrued and unpaid Dividends at 9% per annum. In the event that the Series A Convertible Preferred Stock shall be converted into Conversion Shares, no Dividend shall accrue or be payable.

The redemption feature creates an obligation to the Company requiring it to redeem the Preferred Shares for cash on December 31, 2021, if an IPO does not occur. Upon an IPO, the Conversion Option is settleable with a variable number of the Company's shares resulting in a fixed monetary amount known at inception in accordance with ASC 480-10-25-14a. The Series A convertible preferred stock are mandatorily redeemable and should be classified as a liability in accordance with ASC 480-10 and the Company has elected to record the Series A Convertible Preferred Stock at fair value with changes in fair value recorded through earnings under the ASC 825-10-15-4 fair value option ("FVO") election.

Series A Preferred Stock Warrant

In connection with this private placement, the Company issued warrants to purchase shares of Series A Convertible Preferred Stock. The exercise price of the warrants is $10 per share. The Company accounts for its redeemable convertible preferred stock warrants as a liability, and they are recorded at their estimated fair value, because the warrants may conditionally obligate the Company to transfer assets at some point in the future. At the end of each reporting period, changes in the estimated fair value during the period are recorded in other income (expense), net in the statement of operations. The Company will continue to adjust the liability for changes in estimated fair value until the earlier of the expiration of the warrants, exercise of the warrants, or conversion of the redeemable convertible preferred stock warrants into common stock warrants upon the completion of a liquidation event, including the completion of an IPO.

Recently issued accounting pronouncements

In August 2020, the FASB issued 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)”. This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. This standard is effective for the Company on July 1, 2022, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The Company is currently assessing the impact the new guidance will have on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes. The update is intended to simplify the current rules regarding the accounting for income taxes and addresses several technical topics including accounting for franchise taxes, allocating income taxes between a loss in continuing operations and in other categories such as discontinued operations, reporting income taxes for legal entities that are not subject to income taxes, and interim accounting for enacted changes in tax laws. The new standard is effective for fiscal years beginning after December 15, 2020; however, early adoption is permitted. The Company does not expect the adoption of this standard have a material impact on the consolidated and combined financial statements.

The Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated and combined financial position, statements of operations and cash flows.

BUSINESS

Background

iPower Inc. (formerly, BZRTH, Inc.) was formed in Nevada in April of 2018. We believe we are one of the largest online hydroponic equipment suppliers in the United States. On September 4, 2020, we filed a certificate of amendment to our articles of incorporation to change our name from BZRTH, Inc. to iPower Inc. On November 16, 2020 we filed an amended and restated articles of incorporation in Nevada to consummate a 2-for-1 forward split of our outstanding shares of Common Stock.

Our Business

We own and operate the retail website **www.zenhydro.com** where we sell a wide array of stock keeping units ("SKUs") and multiple best-selling products which enable our customers to grow vegetables, fruits and flowers, and other plants, including cannabis. The hydroponic and gardening industry is generally fragmented, and retail outlets are generally smaller family-owned enterprises consisting of a single location. We intend to take advantage of current market conditions by providing consumers with a one-stop shopping experience where they can satisfy all their horticultural needs and have the products shipped directly to their door.

The Company leases approximately 72,000 square feet of floor space across our two fulfillment centers just outside of Los Angeles, California. We have fostered relationships with recognized commercial shipping enterprises. From our two fulfillment centers, we deliver directly to customers including homes, farms, small commercial cultivators, as well as various commercial hydroponics stores across the United States.

In addition to iPower's website, **www.zenhydro.com**, we sell our products through third party e-commerce channels including Amazon, eBay and Walmart.com, where we have worked to develop a strong presence on their platforms. Approximately 75% of our sales revenue during the 2020 calendar year were derived from sales on Amazon, where we experienced 87% revenue growth in calendar year 2020. And we have experienced strong growth in sales through Walmart, where iPower has seen approximately 200% growth for the 2020 calendar year versus the 2019 calendar year, with minimal investment.

Products

iPower's e-commerce platform offers essential supplies to the hydroponic and gardening industry, including nutrients, industry-leading hydroponic equipment, power-efficient lighting, and thousands of additional products used by professional growers and specialty cultivation operations. In addition to offering products from hundreds of third party brands, the Company has established its own in-house branded products which are also made available for purchase through our various sales channels. Our in-house branded products, marketed under the ***iPower™*** and ***Simple Deluxe™*** brands, include grow-light systems, ventilation systems, activated carbon filters, nutrients, growing media, hydroponic water-resistant grow tents, trimming machines, pumps and many more hydroponic-related items, some of which have been designated as Amazon best seller product leaders, including 62 products which have been designated "Amazon Choice Products" and five of which have been designated "#1 Best Seller SKUs." We currently offer more than 2,600 products from our proprietary, in-house branded products to consumers.

We own and operate the retail website **www.zenhydro.com** where we sell a wide array of stock keeping units ("SKUs") and multiple best-selling products which enable our customers to grow vegetables, fruits and flowers, and other plants, including cannabis.

The Global Hydroponics Markets

Advances in hydroponic systems have helped usher in a new age of high-yield cultivation techniques, earning hydroponics a multitude of dedicated adherents – both individual and commercial growers – globally. Hydroponics is a method of gardening in which plants (often high-value crops) are grown in an optimized solution of water and nutrients, rather than soil. This method is typically used inside greenhouses to give growers the ability to better regulate and control nutrient delivery, light, air, water, humidity, pests, and temperature. Hydroponic growers benefit from these techniques by producing crops faster and with higher crop yields per acre as compared to traditional soil-based growers. Indoor growing techniques and hydroponic products are being utilized in new and emerging industries or segments. In addition, vertical farms producing organic fruits and vegetables are also beginning to utilize hydroponics due to a rising shortage of farmland as well as environmental vulnerabilities including drought, other severe weather conditions and insect/pest infestations.

Through the use of hydroponics systems, growers can achieve potentially larger crop yields, faster growth time (up to twice as fast), up to a 90% increase in water efficiency, and require a substantially smaller footprint (up to 10x more yield in the same amount of space). By using hydroponics growth systems, gardeners and growers will not be affected by unfavorable climates and soil conditions, and will not require chemical or pest control products, resulting in safer and healthier growing environments. (*See* https://greenourplanet.org/benefits-of-hydroponics/).

According to Markets and Markets (https://www.marketsandmarkets.com/PressReleases/hydroponic.asp), in 2020 the global market for Hydroponic products is estimated at $9.5 billion and, with a compound annual growth rate of 12.1% (according to Mordor Intelligence), by 2025 the global market for hydroponic products is forecast to be approximately $16.6 billion. The United States represents approximately 30% of the total global hydroponics market. For those users who intend to use the Company's products to grow hemp-derived CBD medicinal products, the 2018 Farm Bill officially removed hemp from the list of controlled substances. According to the Brightfield Group, estimated sales of hemp-derived CBD products was approximately $22.0 billion.

Our business serves a relatively new, yet sophisticated community of commercial and urban cultivators growing a wide array of vegetation. These cultivators use innovative indoor and outdoor growing techniques to produce specialty crops in highly controlled environments. Employing these techniques enable these growers to produce crops at higher yields without having to compromise quality, regardless of their local geography and climate.

Our target market segments include home growers of organic vegetable and fruit growers (small farms, home garden growers, restaurants growers, and farmers markets), green-thumbed hobbyists (home flower and plant growers) as well as commercial enterprises, mass marketers and growers in the cannabis related market (dispensaries, cultivators, caregivers).

Historically, indoor growing techniques have primarily been used to cultivate plant-based medicines. Plant-based medicines often require a high-degree of regulation and controls including government compliance, security, and crop consistency, making indoor growing techniques a preferred method. Cultivators of plant-based medicines often make a significant investment to design and build-out their facilities. They look to work with companies such as iPower that understand their specific needs and can help mitigate risks that could jeopardize their crops. Plant-based medicines are believed to be among the fastest-growing markets in the U.S. and several industry pundits believe that plant-based medicines may even displace prescription pain medication by providing patients with a safer, more affordable alternative.

Notwithstanding the foregoing, indoor growing techniques are not limited to plant-based medicines. Vertical farms producing organic fruits and vegetables are beginning to emerge in the market due to a rising shortage of farmland, and environmental vulnerabilities including drought, other severe weather conditions and insect pests. Indoor growing techniques enable cultivators to grow crops all-year-round in urban areas and take up less ground while minimizing environmental risks. Indoor growing techniques typically require a more significant upfront investment to design and build-out these facilities than traditional farmlands. If new innovations lower the costs for indoor growing, and the costs to operate traditional farmlands continue to rise, then indoor growing techniques may be a compelling alternative for the broader agricultural industry.

Our Industry is Large and Rapidly Growing

Our principal industry opportunity is in the retail sale and distribution of hydroponics equipment and supplies, which generally include grow light systems; advanced heating, ventilation, and air conditioning ("HVAC") systems; humidity and carbon dioxide monitors and controllers; water pumps, heaters, chillers, and filters; nutrient and fertilizer delivery systems; and various growing media typically made from soil, rock wool or coconut fiber, among others. Today, we believe that a majority of our products are sold for use in hydroponics applications.

Hydroponic systems constitute an increasingly significant and fast-growing component of the expansive global commercial agriculture and consumer gardening sectors. According to the USDA and National Gardening Survey, the agriculture, food, and related industries sector produced more than $1 trillion worth of goods in the U.S. alone in 2017, and U.S. households spent a record of approximately $48 billion at retail stores on gardening and growing supplies and equipment.

According to ResearchandMarkets.com, the global industry for hydroponics crops totaled approximately $25.2 billion in 2020 and is expected to grow at a CAGR of 5.4% from 2020 to 2027. The rapid growth of hydroponics-related crop output will subsequently drive growth in the wholesale hydroponics equipment and supplies industry.

Increased Focus on Environmental, Social, and Governance ("ESG") Issues

We believe the growth and change in our end-markets is in part driven by a variety of ESG trends aimed at preserving resources and enhancing the transparency and safety of our food supply chains. It has been reported that approximately 83% of consumers have indicated that they take environmental issues into consideration when making purchases. (*See* Finds by Fooddive, "Consumers Still Care About Sustainability amid pandemic" (April 2020)). Overall, hydroponic growing systems deliver superior performance characteristics versus traditional agriculture when compared on select key ESG performance criteria:

- More efficient land usage. Hydroponics systems allow for greater crop production per square foot, reducing the amount of land needed to grow crops. Certain types of vertical farming are up to 20 times more productive than traditional farming per acre.

- More efficient fresh water usage. Hydroponics systems allow for the management and recycling of water inside of a closed-loop system and therefore generally require less water than traditional outdoor agriculture. In certain instances, hydroponics systems can grow plants with up to 98% less water than soil-based agriculture.

- Decreased use of fertilizer and pesticides. As hydroponics takes place in a controlled, often indoor environment, the need for pesticides application is reduced, allowing growers to apply less pesticide with more precise application compared to traditional outdoor agriculture.

- Reduced carbon emissions. Hydroponics, especially vertical farming, allows large farming operations to be located significantly closer to end-users, thereby reducing the transportation distance of ready-to-use crops.

- Reduced food waste. Similar to the above, since hydroponics growing systems allow for food production significantly closer to the end-user, there is less time between production and consumption and therefore reduced product spoilage, damage and waste.

- Chemical runoff prevention. Due to the closed-loop nature of hydroponics systems, such systems significantly decrease the risk of chemical runoff, which is generally more difficult to control in traditional outdoor agriculture.

- Supports organic farming. Hydroponics is well suited for organic farming, the produce of which has been in increasing demand by consumers.

Research and Development

The Company has not incurred any significant research and development expenses during the fiscal year ended June 30, 2020. We plan to increase investments in R&D relating to the improvement of existing products and addition of new product lines.

Customers and Suppliers

We have a diverse customer base, with residential gardeners and hobbyists constituting a significant portion of our customer base and thus the largest segment of our total sales. We sell to both commercial and home cultivators growing specialty crops. At present, sales to customers through Amazon and other third party online platforms accounts for more than 80% of our annual sales.

To attract new growers, we offer products for the initial setup. A complete set of these products range in price between $800 to $2,000, depending on size. As many of our products, such as light bulbs, filters, and plant nutrients, require replacement roughly every three to six months, we are able to quickly convert our first-time grower customers into a repeat customers, thus growing our customer base.

We do not manufacture any of the hydroponic products we sell through our distribution channels. We purchase our products from more than one hundred suppliers, including manufacturers and distributors in the US and China. Our two major suppliers, who accounted for approximately 38.5% and 32.6% of our purchases in fiscal 2020 and 2019, respectively. We do not have any long-term supply agreements.

Manufacturers

We obtain both our branded proprietary products and distributed products from third party suppliers. Most of the products purchased and resold, whether our proprietary products or third party products we sell through our platform, are applicable to indoor and outdoor growing for organics, greens, and plant-based products. Our products are sourced from more than 100 different suppliers and manufacturers, with approximately 50% sourced from China. Quality control is a critical priority for our team charged with ensuring the supply of the products from our suppliers, specifically those coming from China. We seek to ensure the highest level of quality control for our products through routine factory visits, spot testing and continual, ongoing supplier due diligence.

Our distributed products are sourced from more than 100 suppliers. Our experienced internal team is charged with maintaining strong relationships with current suppliers, while also constantly tracking current and future market trends and reviewing offerings of new suppliers.

We do not have exclusive purchase agreements with many of our suppliers. Based on our knowledge and communication with our suppliers, we believe some of our suppliers may sell directly to the retail market or to our wholesale customers. See “Risk Factors— Risks Relating to Our Business.”

Demand for Products

Demand for indoor and outdoor growing equipment is currently high due to the legalization of plant-based medicines, primarily cannabis, which is mainly due to equipment purchases for build-out and repeat purchases of consumable nutrients needed during the growing period. This demand is projected to continue to grow as additional states adopt legislation supporting the sale and consumption of cannabis and cannabis-related products. Continued innovation and more efficient build-out of technologies along with larger and consolidated and combined cultivation facilities is expected to further expand market demand for iPower products and services, including our in-house branded products. We expect the market to continue to segment into urban farmers serving groups of individuals, community cultivators, and small- and large-scale commercial cultivation facilities across the states. We are of the opinion that as our volume increases, we will obtain volume discounts on purchasing that should allow us to maximize both our revenues and gross margins. In addition, the vertical farming market is increasing year over year, where it is projected to grow from $3.98 billion in 2020 to $21.15 billion in 2028, representing a 23.6% compound annual growth rate.

E-Commerce Strategy

The Company continues to grow and develop its e-commerce platform, www.zenhydro.com., where we sell hydroponic products, including equipment, tools, nutrients and more. In addition to our website, we offer products to consumers through established e-commerce channels such as Amazon, eBay and Walmart. Through these portals we offer various hydroponic, specialty and organic gardening products for sale. Online shoppers can have the ability to peruse our various product departments, from nutrients to lighting to hydroponic and greenhouse equipment, providing consumers with an easy and quick method to find the exact products they need. In addition to these sections, our webstore frequently offers customers flash deals, best value recommendations and clearance sale items. Our e-commerce site has been designed to appeal to both the professional grower, as well as the home gardener/hobbyist. Each product listed on the site contains product descriptions, product reviews and a picture so the consumer can make an informed and educated purchase. Our product filters allow the consumer to search by brand, manufacturer, or by price. Consumers can shop online day and night and have their purchases shipped directly to the location of their choice, or simply elect to use our website as a resource. Google advertising, social media advertising and email list marketing, in addition to auto-ship functionality, are the primary mechanisms we employ to drive traffic to www.zenhydro.com and the other portals through which we make our products available for sale, including Amazon.com, eBay and Walmart. At present, more than 50% of our total sales occur through Amazon.com.

Large Established Distribution Infrastructure

We have a fully developed distribution network through our two distribution centers in California. We work with a network of third-party common carrier trucking/freight companies that service our customers throughout the U.S., Canada and across the globe. We receive daily customer orders via our business-to-business e-commerce platform. Orders are then routed to the applicable distribution center and packed for shipments. The majority of our customer orders are shipped within one business day of order receipt.

Competition

The markets in which we sell our products are highly competitive and fragmented. Our key competitors include many local and national vendors of gardening supplies, local product resellers of hydroponic and other specialty growing equipment, as well as other online product resellers on large online marketplaces such as Amazon.com and eBay. Our industry is highly fragmented with more than 1,000 retail outlets throughout the U.S. We compete with companies that have greater capital resources, facilities and diversity of product lines. Our competitors could also introduce new hydroponic growing equipment, and as manufacturers are able to sell equipment directly to consumers, our distributers could cease selling products to us.

Notwithstanding the foregoing, we believe that our pricing, inventory and product availability, and overall customer service provide us with the ability to compete in this marketplace. We believe that we have the following core competitive advantages over our competitors:

- In addition to our in-house branded products, we distribute products from hundreds of third-party brands, ensuring that whatever a customer's particular need may be, they need look no further than iPower for their gardening needs.
- Our knowledgeable and experienced sales team is able to provide guidance and insights, whether dealing with a seasoned commercial entity or a first-time purchaser looking to get their grow operations off the ground.
- The convenience of our e-commerce platform allows customers to shop from the comfort of their own home and have their purchases shipped directly to them.
- We offer top-to-bottom solutions, from custom build-outs to nutrients in order to ensure that their grow operations flourish and provide significant yields.
- We view ourselves as an industry leader, offering products and new technologies from the largest and most trusted names in the business, as well as our own in-house branded products.

Moreover, we expect that as we continue to grow our business, we will achieve an economy of scale, and as such, will be able to make larger inventory purchases at lower volume sale prices, which will enable us to continue to maintain competitive pricing options and deliver the array of items that our customers require. Through supply chain and industry competency, support services, and our relationships with suppliers, distributors, vendors and logistics partners, we believe we can maintain and increase our growth trajectory.

Intellectual Property and Proprietary Rights

Our intellectual property primarily consists of our brands and their related trademarks, domain names, websites, customer lists and affiliations, as well as our marketing intangibles, product know-how and technology. We also hold rights to website addresses related to our business, including websites that are actively used in our daily business operations, such as www.Zenhydro.com. We own federally registered trademarks for "iPower" and "Simple Deluxe," which correspond to our current in-house branded products.

Government Regulation

We sell products, including hydroponic gardening products, that end users may purchase for use in new and emerging industries or segments, including the growing of cannabis and hemp, that may not grow or achieve market acceptance in a manner that we can predict. The demand for these products depends on the uncertain growth of these industries or segments.

In addition, we sell products that end users may purchase for use in industries or segments, including the growing of cannabis and hemp, that are subject to varying, inconsistent, and rapidly changing laws, regulations, administrative practices, enforcement approaches, judicial interpretations and consumer perceptions. For example, certain countries and a total of 44 U.S. states plus the District of Columbia have adopted frameworks, in varying forms, that authorize, regulate, and tax the cultivation, processing, sale, and use of cannabis for medicinal and/or non-medicinal use, as well as hemp and CBD, while the U.S. Controlled Substances Act and the laws of other U.S. states prohibit growing cannabis. In addition, with the passage of the Farm Bill in December 2018, hemp cultivation is now broadly permitted. The 2018 Farm Bill explicitly allows the transfer of hemp-derived products across state lines for commercial or other purposes. It also puts no restrictions on the sale, transport, or possession of hemp-derived products, so long as those items are produced in a manner consistent with the law. While we do not know the percentage or actual usage of our products for purposes of growing cannabis or hemp-derived products, for those users who intend to use the Company's products to grow hemp-derived CBD medicinal products, the 2018 Farm Bill officially removed hemp from the list of controlled substances. While we note that the 2018 Farm Bill has not changed the regulatory authority of the Food and Drug Administration as concerns cannabis and cannabis-derived products, and that such products continue to remain subject to the same regulatory requirements as FDA-regulated products, we nonetheless believe the passage of the 2018 Farm Bill will allow the Company to expand its marketplace opportunities.

Our gardening products, including our hydroponic gardening products, are multi-purpose products designed and intended for growing a wide range of plants and are purchased by cultivators who may grow any variety of plants, including cannabis and hemp. Although the demand for our products may be negatively impacted depending on how laws, regulations, administrative practices, enforcement approaches, judicial interpretations, and consumer perceptions develop, we cannot reasonably predict the nature of such developments or the effect, if any, that such developments could have on our business. The changing laws may cause us to experience additional capital expenditures as we adapt our business to meet the requirements of the evolving legal and regulatory landscape.

As we believe certain unknown number of our end users are in the business of growing cannabis, we believe we have benefited from the nationwide efforts to legalize marijuana at the state level. To date, a total of 44 states plus the District of Columbia ("D.C.") have legalized cannabis in one form or another, with 15 states plus D.C. have legalizing marijuana for adult use, including both medicinal and recreational, 20 states having legalized marijuana for medical purposes only, and 12 states have legalized the use of CBD oil (a concentrated form of hemp extract) only. According to the 2019 US Cannabis Cultivation Report published by New Frontier Data, United States cultivation output is expected to grow from 29.8 million pounds in 2019 to 34.4 million pounds by 2025. From 2018-2022, the estimated combined totals of cannabis product retail sales are estimated at $46.7 billion for recreational use and $37.7 billion for medical use. We intend to leverage the growth of cannabis and CBD products, in tandem with its increased legalization, to further build our brand and promote our hydroponics equipment and products within the cannabis community.

We believe that the growth in licensed cannabis cultivation facilities and the increase in organically grown produce will increase the general demand for hydroponics products. Further, we believe our dedication to providing consumers with innovative and cutting-edge products tailored to their individual needs, combined with our industry knowledge and customer service, has positioned iPower to take advantage of the domestic and international growth anticipated for hydroponic products.

Legal Proceedings

Our former placement agent, Boustead Securities LLC, has stated that it intends to bring legal action against us following our communication to Boustead to unilaterally terminate an engagement agreement under which we and Boustead had originally intended for Boustead to be engaged to act as an exclusive underwriter in our initial public offering. If we are unable to reach a settlement with Boustead, it is likely that Boustead will file a legal action against us or seek binding arbitration of the dispute. On April 30, 2021, Boustead filed a statement of claim with FINRA demanding to arbitrate the dispute, and is seeking, among other things, monetary damages against the Company and D.A. Davidson & Co. We believe that we have meritorious defenses to any claims that Boustead may assert, and we do not believe that such claims will have a material adverse effect on our business, financial condition or operating results. We have agreed to indemnify D.A. Davidson & Co. and the other underwriters against any liability or expense they may incur or be subject to arising out of the Boustead dispute. Additionally, Chenlong Tan, our Chairman, President and Chief Executive Officer and a beneficial owner more than 5% of our common stock, has agreed to reimburse us for any judgments, fines and amounts paid or actually incurred by us or an indemnitee in connection with such legal action or in connection with any settlement agreement entered into by us or an indemnitee up to a maximum of $3.5 million in the aggregate, with the sole source of funding of such reimbursement to come from sales of shares then owned by Mr. Tan. For further information, see "Risk Factors – *We recently unilaterally terminated an engagement agreement with Boustead Securities LLC and may be subject to litigation in the event we are not able to come to agreement on the amounts Boustead deems itself to be owed under such agreement*" "Certain Relationships and Related Party Transactions" and "Underwriting."

We are not presently party to any pending or other threatened legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results, although from time to time, we may become involved in legal proceedings in the ordinary course of business.

Employees

As of April 1, 2021, we have a total of 21 full-time and six part-time employees and consultants. None or our employees are subject to collective bargaining agreements.

Principal Offices

Our principal offices are located at 2399 Bateman Avenue, Duarte, CA 91010, which we lease. This property serves as both our principal offices and our primary fulfillment center. In addition to our primary fulfillment center, we maintain a second fulfillment center located at 14750 E. Nelson Avenue, Unit #I, Industry City, CA 91744, which we have leased since September 2020.

MANAGEMENT

Executive Officers and Directors

All of our directors hold office for one-year terms until the election and qualification of their successors. Officers are appointed by our Board and serve at the discretion of the Board, subject to applicable employment agreements. The following table sets forth information relating to our executive officers and members of our Board.

Name	Age	Position
Chenlong Tan	39	Chairman, CEO, President, and Director
Kevin Vassily	54	Chief Financial Officer and Director
Bennet Tchaikovsky	52	Independent Director (commencing upon IPO's completion)
Danilo Cacciamatta	75	Independent Director (commencing upon IPO's completion)
Kevin Liles	52	Independent Director (commencing upon IPO's completion)

Chenlong Tan. Mr. Tan cofounded our Company in 2018 and is the Chairman, Chief Executive Officer and President. He has held the position of Chief Executive Officer since April 2018 and assumed the positions of Chairman, President and Interim Chief Financial Officer in January 2020. Mr. Tan held the position of Interim Chief Financial Officer until January 2021. From 2010 until 2018, Mr. Tan was the cofounder, Chief Executive Officer and Chief Information Officer at our predecessor, BizRight LLC, where he built the business from the ground up to achieve $20 million in sales through data driven development. From 2002 until 2010, Mr. Tan served as a Solution Architect and Senior Software Engineer at various companies, where he took a lead role, managing consultants, business architects and project managers, in working with healthcare companies in completing scoping requirements, solution gathering and project management, among other things. Mr. Tan received his B. Sc. at the University of Auckland in New Zealand, where he graduated with honors.

Kevin Vassily. Mr. Vassily was appointed as our Chief Financial Officer in January 2021. Mr. Vassily was also appointed as a member of our board of directors in March 2021. Prior to joining iPower, from 2019 to January 2021, Mr. Vassily served as Vice President of Market Development for Facteus, a financial analytics company focused on the Asset Management industry. From March 2019 through 2020, he served as an advisor at Woodseer, a financial technology firm providing global dividend forecasts. From 2018 through its acquisition in 2020, Mr. Vassily served as an advisor at Go Capture, where he was responsible for providing strategic, business development, and product development advisory services for the company's emerging "Data as a Service" platform. Since November 2019, Mr. Vassily has served as a director of Zhongchao Inc., a provider of healthcare information, education and training services to healthcare professionals and the public in China. Since July 2018, Mr. Vassily has also served as an advisor at Prometheus Fund, a Shanghai-based merchant bank/PE firm focused on the "green" economy. And from 2015 through 2018, Mr. Vassily served as an associate director of research at Keybanc Capital Markets, and helped to co-manage the Technology Research vertical. From 2010 to 2014, he served as the director of research at Pacific Epoch, where he was responsible for a complete overhaul of product and a complete business model restart post acquisition, re focusing the firm around a "data-first" research offering. From 2007 to 2010, he served as the Asia Technology business development representative and as a senior analyst at Pacific Crest Securities, responsible for establishing the firm's presence and relevance covering Asia Technology. From 2003 to 2006, he served as senior research analyst in the semiconductor technology group at Susquehanna International Group, responsible for research in semiconductor and related technologies. From 2001 to 2003, Mr. Vassily served as the vice president and senior research analyst for semiconductor capital equipment at Thomas Weisel Partners, responsible for publishing research and maintaining financial models on each of the companies under coverage. Mr. Vassily began his career on Wall Street in 1998, as a research associate covering the semiconductor industry at Lehman Brothers. He holds a B.A. in liberal arts from Denison University and an M.B.A. from the Tuck School of Business at Dartmouth College.

Bennet Tchaikovsky. Mr. Tchaikovsky has been appointed to serve as a member of our board of directors, and will serve as chair of the audit committee, with such service to commence upon completion of our initial public offering. Since January 2020, Mr. Tchaikovsky has been a member of the board of directors for Oriental Culture Holding Group, Ltd. (NASDAQ: OCG) where he serves as a member of the audit committee, Chairperson of the compensation committee and a member of the corporate governance and nominating committee. Since August 2014, Mr. Tchaikovsky has been a full-time professor at Irvine Valley College and a part-time accounting instructor at Long Beach City College since September 2020. From August 2018 to May 2019, Mr. Tchaikovsky was a part-time instructor at Chapman University. From November 2013 to August 2019, Mr. Tchaikovsky served as a board member and chairman of the audit committee of Ener-Core, Inc. (OTCMKTS: ENCR). From August 2013 to May 2014, Mr. Tchaikovsky was a part-time faculty member of Irvine Valley College and a part-time faculty member of Pasadena City College. Mr. Tchaikovsky has served as a director on the board of directors of China Jo-Jo Drugstores, Inc. (NASDAQ: CJJD) from August 2011 to January 2013 and as its chief financial officer from September 2009 to July 2011. From April 2010 to August 2013, Mr. Tchaikovsky has served as chief financial officer of VLOV, Inc. From May 2008 to April 2010, Mr. Tchaikovsky has served as chief financial officer of Skystar Bio-Pharmaceutical Company. From March 2008 to November 2009, Mr. Tchaikovsky served as a director on the board of directors of Ever-Glory International Group (NASDAQ: EVK), where he served as chairman of the audit committee and was a member of the compensation committee. From December 2008 through November 2009, Mr. Tchaikovsky served as a director of Sino Clean Energy, Inc. Mr. Tchaikovsky received his Juris Doctorate degree from Southwestern Law School in December 1996 and his Bachelor of Arts degree in Business Economics from University of California at Santa Barbara in August 1991. Mr. Tchaikovsky is a licensed Certified Public Accountant in California and is an active member of the California State Bar. We believe that Mr. Tchaikovsky's extensive experience in accounting and business will benefit the Company's business and operations and make him a valuable member of the board of directors and its committees.

Danilo Cacciamatta. Mr. Cacciamatta has been appointed to serve as a member of our board of directors, and will serve as chair of the compensation committee, with such service to commence upon completion of our initial public offering. Mr. Cacciamatta serves on the boards of West Texas Resources, Inc. (OTC Pink: WTXR), a position he has held since June 2020, and California First National Bancorp (OTC: CFNB), a position he has held since 2001 and for which he serves as audit committee chair. From 1989 until 2010, Mr. Cacciamatta was the CEO of Cacciamatta Accountancy Corporation, a PCAOB registered independent public accounting firm. From 1972 until 1988, Mr. Cacciamatta was with KPMG Peat Marwick where he was elected audit partner in 1980. Mr. Cacciamatta received a B.A. in economics from Pomona College and an M.B.A. from University of California Riverside. We believe Mr. Cacciamatta's extensive experience as an auditor of public companies will make him a valuable member of our board of directors and its committees.

Kevin Liles. Mr. Liles has been appointed to serve as a member of our board of directors, and will serve as chair of the nominating and corporate governance committee, with such service to commence upon completion of our initial public offering. Since 2012, Mr. Liles has been co-founder of 300 Entertainment, a music company whose roster includes acts across multiple genres including hip-hop, rock, pop, electronic, and alternative. From 2009 until present, Mr. Liles is a founder of KWL Enterprise, a niche brand management solutions company. From 2004 until 2009, Mr. Liles was an executive vice president of Warner Music, where he oversaw global strategy and was pivotal in building the artist services division into what is now a $200 million business. From 1998 until 2004, Mr. Liles was president of Def Jam Recordings and executive vice president of The Island Def Jam Music Group, where he amplified the brand's influence through introducing Def College Jam, opening five international offices, launching successful video game franchises, and doubling revenue to $400 million. Mr. Liles has long been focused on philanthropic work, with a focus on global education and entrepreneurship, culminating in his receipt of the 2010 Medaille de la Ville de Paris award for his contribution to Parisian culture. Mr. Liles holds an honorary Doctor of Law degree from Morgan State University, where he studied engineering and electrical engineering as an undergraduate. We believe Mr. Liles' extensive entrepreneurial and business experience, as well as his extensive knowledge in the area of social media, will assist us in our growth plans going forward.

Family Relationships

There are no family relationships among any of our officers or directors.

Involvement in Certain Legal Proceedings

To our knowledge, during the past ten years, none of our directors, executive officers, promoters, control persons, or nominees has:

- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

Board Committees

Our board of directors has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of these committees will operate under a charter that has been approved by our board of directors, as set forth below, with each of these committees to be fully in place upon completion of this initial public offering.

Audit Committee. Our Audit Committee will consist of three independent directors. The members of the Audit Committee will be Messrs. Tchaikovsky, Cacciamatta, and Liles. The Audit Committee will consist exclusively of directors who are financially literate and Mr. Tchaikovsky will serve as chair of the Audit Committee. As a licensed certified public accountant, Mr. Tchaikovsky is considered an "audit committee financial expert" as defined by the SEC's rules and regulations.

The audit committee responsibilities include:

- overseeing the compensation and work of and performance by our independent auditor and any other registered public accounting firm performing audit, review or attestation services for us;
- engaging, retaining and terminating our independent auditor and determining the terms thereof;
- assessing the qualifications, performance and independence of the independent auditor;
- evaluating whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence;
- reviewing and discussing the audit results, including any comments and recommendations of the independent auditor and the responses of management to such recommendations;
- reviewing and discussing the annual and quarterly financial statements with management and the independent auditor;
- producing a committee report for inclusion in applicable SEC filings;
- reviewing the adequacy and effectiveness of internal controls and procedures;
- establishing procedures regarding the receipt, retention and treatment of complaints received regarding the accounting, internal accounting controls, or auditing matters and conducting or authorizing investigations into any matters within the scope of the responsibility of the audit committee; and
- reviewing transactions with related persons for potential conflict of interest situations.

Compensation Committee. Our Compensation Committee will consist of three independent directors. The members of the Compensation Committee will be Messrs. Cacciamatta, Tchaikovsky, and Liles. Mr. Cacciamatta will serve as the chair of the Compensation Committee. The committee has primary responsibility for:

- reviewing and recommending all elements and amounts of compensation for each executive officer, including any performance goals applicable to those executive officers;
- reviewing and recommending for approval the adoption, any amendment and termination of all cash and equity-based incentive compensation plans;
- once required by applicable law, causing to be prepared a committee report for inclusion in applicable SEC filings;

- approving any employment agreements, severance agreements or change of control agreements that are entered into with the CEO and certain executive officers; and

- reviewing and recommending the level and form of non-employee director compensation and benefits.

Nominating and Governance Committee. The Nominating and Governance Committee will consist of three independent directors. The members of the Nominating and Governance Committee will be Messrs. Liles, Cacciamatta, and Tchaikovsky. Mr. Liles will serve as chair of the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee's responsibilities include:

- recommending persons for election as directors by the stockholders;

- recommending persons for appointment as directors to the extent necessary to fill any vacancies or newly created directorships;

- reviewing annually the skills and characteristics required of directors and each incumbent director's continued service on the board;

- reviewing any stockholder proposals and nominations for directors;

- advising the board of directors on the appropriate structure and operations of the board and its committees;

- reviewing and recommending standing board committee assignments;

- developing and recommending to the board Corporate Governance Guidelines, a Code of Business Conduct and Ethics and other corporate governance policies and programs and reviewing such guidelines, code and any other policies and programs at least annually;

- making recommendations to the board as to determinations of director independence; and

- making recommendations to the board regarding corporate governance based upon developments, trends, and best practices.

The Nominating and Governance Committee will consider stockholder recommendations for candidates for the board of directors.

Code of Business Conduct and Ethics

The Company has adopted a formal Code of Business Conduct and Ethics that is applicable to every officer, director, employee and consultant (the "Employees") of the Company and its affiliates. The Code reaffirms the high standards of business conduct required of all of the Company's Employees.

Insider Trading Policy

The Company has adopted an insider trading policy to help the Company's Employees comply with federal and state securities laws, prevent insider trading and govern the terms and conditions at which the Employees can trade in the Company's securities.

Limitation of Directors Liability and Indemnification

The Nevada Revised Statutes ("NRS") authorizes corporations to limit or eliminate, subject to certain conditions, the personal liability of directors to corporations and their stockholders for monetary damages for breach of their fiduciary duties.

iPower does not have stand-alone director and officer liability insurance to cover liabilities our directors and officers may incur in connection with their services to us, including matters arising under the Securities Act, although we intend to acquire such insurance prior to completion of our initial public offering. Nevada law and our bylaws provide that we will indemnify our directors and officers who, by reason of the fact that he or she is an officer or director, is involved in a legal proceeding of any nature.

There is no pending litigation or proceeding against any of our directors, officers, employees, or agents in which indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding which may result in a claim for such indemnification.

Indemnification Agreements

To date, we have no specific indemnification agreements with our directors or executive officers. However, our officers and directors are entitled to indemnification through our bylaws and to the extent allowed pursuant to the Nevada Revised Statutes and federal securities law.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Summary Compensation Table

The following table presents information regarding the total compensation earned by our executive officers who were serving as executive officers as of June 30, 2020 for services rendered in all capacities to us for the fiscal years ended June 30, 2020 and 2019.

Name and Principal Position	Year	Salary ($USD)	Bonus ($USD)	Stock Based Awards ($USD)	Others ($USD)	Total ($USD)
Chenlong Tan	2020	85,615	–	–	27,785(1)	113,400
Chairman, CEO, President	2019	10,500	–	–	27,286(1)	37,786
Allan Huang	2020	50,615	–	–	35,000(2)	85,615
Former Director, Former CEO and President	2019	15,500	–	–		15,500

(1) Consists of the costs of leasing a car.
(2) Includes consulting fees paid starting in February of 2020.

Employment Agreement with Chenlong Tan

On July 1, 2020 we entered into an employment agreement with our Chief Executive Officer, Chenlong Tan. Under Mr. Tan's employment agreement, Mr. Tan receives base compensation of $20,000 per month, is entitled to performance cash bonus compensation based on achievement of certain pre-determined goals, and from time to time may be granted restricted common shares and/or options to purchase shares of the Company's Common Stock, subject to Board or Compensation Committee approval. In addition, during the term of Mr. Tan's employment agreement, we are also leasing a motor vehicle for Mr. Tan's daily use. Mr. Tan is not entitled to any severance rights under his employment agreement. Mr. Tan's employment agreement has a term of five years, is thereafter renewable on an annual basis, and may be terminated upon 30 days' notice upon the mutual agreement of Mr. Tan and the Company.

Consulting Agreement with Allan Huang

Effective February 1, 2020, Allan Huang stepped down as our Chief Executive Officer and entered into a consulting agreement with us, pursuant to which he provides management and consulting services. Mr. Huang receives $7,000 per month in consulting fees and is entitled to receive reimbursement for fees associated directly with his services. The consulting agreement may be terminated by us or Mr. Huang upon 30 days' notice.

Outstanding Equity Awards

We do not have any outstanding equity awards.

Director Compensation

Our independent directors, all of whom will commence service upon the completion of this offering, will each receive (i) $25,000 annual cash compensation, payable in equal quarterly installments, and (ii) $30,000 in restricted stock units ("RSUs"), which will be issued pursuant to our 2020 Equity Incentive Plan upon completion of this offering and will vest quarterly commencing 90 days after the completion of our initial public offering. In addition, the chairman of our audit committee will receive an additional $5,000 annual retainer for his additional responsibilities, which retainer will be payable in equal quarterly installments. Directors will also be reimbursed for reasonable expenses incurred in connection with the performance of their duties. No compensation has been awarded to any directors who were not executive officers for the fiscal years ended June 30, 2020 and 2019.

Equity Incentive Plan

On October 15, 2020, the Company's Board adopted, and its stockholders approved and ratified, the iPower Inc. 2020 Equity Incentive Plan (the "Plan"). The Plan allows for the issuance of up to 5,000,000 shares of Common Stock, whether in the form of options, restricted stock, restricted stock units, stock appreciation rights, performance units, performance shares and other stock or cash awards. The general purpose of the Plan is to provide an incentive to the Company's directors, officers, employees, consultants and advisors by enabling them to share in the future growth of the Company's business. The Board believes that granting of equity-based compensation serves to promote continuity of management and provide for a shared interest in the welfare, growth and development of the Company. The Company believes that the Plan will serve to advance the Company's interests by enhancing its ability to (i) attract and retain employees, consultants, directors and advisors who are able to contribute to the Company's ongoing success and development, (ii) reward those employees, consultants, directors and advisors for their contributions to the Company, and (iii) encourage employees, consultants, directors and advisors to participate in the Company's long-term growth and success.

As the Plan was not adopted until October 15, 2020, the Company had not awarded any equity interests under the plan for the year ended June 30, 2020. Following completion of this offering, pursuant to their letter agreements, the Company will award a total of $90,000 in RSUs under the Plan to our independent directors and approximately 16,269. RSUs to our Chief Financial Officer, all of which will be subject to certain vesting conditions.

PRINCIPAL STOCKHOLDERS

The following table sets forth the number of shares of common stock beneficially owned as of April 26, 2021 by:

- each of our stockholders who is known by us to beneficially own 5% or more of our common stock;
- each of our executive officers;
- each of our directors; and
- all of our directors and current executives as a group.

Beneficial ownership is determined based on the rules and regulations of the SEC. A person has beneficial ownership of shares if such individual has the power to vote and/or dispose of shares. This power may be sole or shared and direct or indirect. Applicable percentage ownership in the following table is based on the total of 21,604,496 shares of Common Stock outstanding as of April 26, 2021, and 34,500 shares of Series A redeemable convertible preferred stock outstanding as of April 26, 2021. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock that are subject to options or warrants held by that person and exercisable as of, or within sixty (60) days of, the date of this prospectus. These shares, however, are not counted as outstanding for the purposes of computing the percentage ownership of any other person(s). Except as may be indicated in the footnotes to this table and pursuant to applicable community property laws, each person named in the table has sole voting and dispositive power with respect to the shares of common stock set forth opposite that person's name. Unless indicated below, the address of each individual listed below is c/o iPower Inc., 2399 Bateman Avenue, Duarte, CA 91010.

Name of Beneficial Owner	No. of Shares Common Stock Beneficially Owned	Total Percentage of Common Stock Beneficially Owned Before Offering	Total Percentage of Common Stock Owned After Offering
Chenlong Tan (1)	8,023,334	37.14%	29.13%
Kevin Vassily (2)	–	–	Less than 0.1%
Bennet Tchaikovsky (3)	–	–	Less than 0.1%
Danilo Cacciamatta (3)	–	–	Less than 0.1%
Kevin Liles (3)	–	–	Less than 0.1%
All Officers and Directors (5 Persons)	8,023,334	37.14%	29.15%
Beneficial Owners of more than 5%			
Allan Huang (4)	8,023,334	37.14%	29.13%
Shanshan Huang (5)	1,200,000	5.55%	4.36%
Yutong Yuan (6)	1,100,000	5.09%	3.99%

(1) Chenlong Tan is our co-Founder, Chairman, Chief Executive Officer and President. On April 14, 2021, Mr. Tan converted 7,000,000 shares of Class B Common Stock into 700,000 shares of Class A Common Stock.

(2) Kevin Vassily is our Chief Financial Officer. His shareholdings do not include 16,269 RSUs that will be issuable under our 2020 Equity Incentive Plan upon completion of this offering and subject to certain vesting conditions.

(3) Does not include (i) 7,000 shares of Series A Convertible Preferred Stock, which share will automatically convert into 10,000 shares of Common Stock upon completion of this Offering; and (ii) $30,000 in RSUs issuable under the Company's 2020 Equity Incentive Plan following completion of this offering and subject to certain vesting conditions.

(4) Allan Huang is our co-Founder and a consultant and was previously our Chief Executive Officer, President and a director. On April 14, 2021, Mr. Huang converted 7,000,000 shares of Class B Common Stock into 700,000 shares of Class A Common Stock.

(5) Shanshan Huang is a long-time employee and founding shareholder of the Company.

(6) Yutong Yuan is a long-time employee and founding shareholder of the Company.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Unless described below, during the last two fiscal years, there are no transactions or series of similar transactions to which we were a party or will be a party, in which:

- the amounts involved exceed or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of any of the foregoing had, or will have, a direct or indirect material interest.

On December 1, 2018, the Company acquired certain assets and assumed certain liabilities from BizRight, LLC, an entity owned and managed by the founders and officers of the Company. The net assets received were recorded at their historical carrying amounts and the purchase price of $2,611,594 was recorded as payable due to BizRight. Under the terms of the purchase agreement between the Company and BizRight, the Purchase Price shall be paid based on the Company's cash flow availability and bears an interest rate of 8% per annum on the outstanding amount. As of June 30, 2020 and 2019, respectively the outstanding amount due to BizRight, LLC was $133,793 and $2,769,308, respectively. Please see Note 3 to the consolidated and combined financial statements for detail.

Effective on March 1, 2020, as amended and restated pursuant to an agreement dated October 26, 2020, the Company entered into an agreement with E Marketing Solution Inc. ("E Marketing"), an entity incorporated in California and owned by Shanshan Huang, one of the shareholders of the Company. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to E Marketing's business during the term of the agreement. The Company agrees to fund E Marketing for operational cash flow needs and bear the risk of E Marketing's losses from operations and E Marketing agrees that iPower has rights to E Marketing's net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of E Marketing or its assets subject to assumption of all of its liabilities. As of December 31, 2020, the Company had paid $60,270 to fund all of E Marketing's operations under this agreement.

On September 4, 2020, the Company entered into an agreement with Global Product Marketing Inc. ("GPM"), an entity incorporated in the State of Nevada. GPM is owned by Chenlong Tan, the co-founder, Chairman, CEO and President of the Company and one of the Company's majority shareholders. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to GPM's business during the term of the Agreement. The Company agrees to fund GPM for operational cash flow needs and bear the risk of GPM's losses from operations and GPM agrees that the Company has rights to GPM's net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of GPM or its assets subject to assumption of all of its liabilities. As of December 31, 2020, the Company had paid $30,875 for GPM's operating expenses.

We intend to acquire E Marketing and GPM into iPower promptly following completion of this offering, following which they will become wholly-owned subsidiaries of iPower.

Each of Messrs. Huang and Tan has agreed that promptly following completion of this offering, and in no later than two (2) business days thereafter, they will convey for nominal consideration100% of the equity of each of E Marketing and GPM to the Company.

Prior to April 14, 2021, we had two classes of authorized common stock, Class A Common Stock and Class B Common Stock that entitled the holders to 10 votes per share. On April 14, 2021, Messrs. Huang and Tan, our two founders, converted all of their 14,000,000 shares of Class B Common Stock into 1,400,000 additional shares of Class A Common Stock, bringing their total ownership to an aggregate of 16,046,668 shares of Class A Common Stock or 74.3% of the 21,604,496 shares of Class A Common Stock outstanding as of the date of this prospectus. On April 14, 2021, we amended and restated our articles of incorporation to permit the immediate conversion of the Class B Common Stock and to eliminate any future issuances of Class B Common Stock, and on April 23, 2021, we further amended and restated our articles of incorporation to eliminate all references to the Class A and Class B Common Stock and authorized for issuance 180,000,000 shares which are solely designated as Common Stock.

On April 27, 2021, Mr. Chenlong Tan, our Chairman, President and Chief Executive Officer and a beneficial owner more than 5% of our common stock, has agreed to reimburse us for any judgments, fines and amounts paid or actually incurred by us or an indemnitee in connection with such legal action or in connection with any settlement agreement entered into by us or an indemnitee up to a maximum of $3.5 million in the aggregate, with the sole source of funding of such reimbursement to come from sales of shares then owned by Mr. Tan, against any damages that the Company may owe Boustead or the underwriters, should Boustead be successful in any action against the Company related to this initial public offering.

DESCRIPTION OF CAPITAL STOCK

Our current Certificate of Incorporation authorizes us to issue:

- 180,000,000 shares of Common Stock; and
- 20,000,000 shares of Preferred Stock

As of April 23, 2021, there were: (i) 21,604,496 shares of Common Stock issued and outstanding, and (ii) 34,500 shares of Series A Convertible Preferred Stock issued and outstanding.

On April 14, 2021, Messrs. Allan Huang and Chenlong Tan, our two founders, converted all of their 14,000,000 shares of Class B Common Stock into 1,400,000 shares of Common Stock, bringing their total ownership to an aggregate of 16,046,668 shares of Common Stock or 74.3% of the 21,604,496 shares of Common Stock outstanding as of the date of this prospectus. We also amended and restated our articles of incorporation to eliminate any future issuances of Class B Common Stock.

On April 23, 2021, we further amended and restated our articles of incorporation to eliminate all references to Class A and Class B Common Stock and authorized for issuance 180,000,000 shares which are solely designated as Common Stock.

The following statements are summaries only of the material provisions of our authorized capital stock and are qualified in their entirety by reference to our Certificate of Incorporation and Bylaws, which are filed as an exhibit to the registration statement of which this prospectus forms a part.

Common Stock

Dividends. Subject to the express terms of any outstanding Preferred Stock, dividends may be paid in cash or otherwise with respect to the holders of our Common Stock out of the assets of the Company legally available therefor, upon the terms, and subject to the limitations, as the Board of Directors may determine.

Voting Rights. Holders of Common Stock are entitled to one (1) vote per share in voting or consenting to the election of directors and for all other corporate purposes for which they are entitled to vote.

Liquidation Rights. Subject to the express terms of any outstanding Preferred Stock, in the event of a Liquidation of the Corporation, the holders of Common Stock shall be entitled to share in the distribution of any remaining assets available for distribution to the holders of Common Stock ratably in proportion to the total number of shares of Common Stock then issued and outstanding.

Preferred Stock

Subject to approval by holders of shares of any class or series of Preferred Stock to the extent such approval is required by its terms, the Board is expressly authorized, subject to limitations prescribed by law, by resolution or resolutions and by filing a certificate pursuant to the applicable law of the State of Nevada, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

Private Placement of Series A Convertible Preferred Stock

On December 30, 2020, the Company sold in a private placement to approximately three accredited investors under Rule 506(b) promulgated under the Securities Act of 1933, as amended, an aggregate of 34,500 shares of the Company's Series A convertible preferred stock (the "Series A Preferred Stock") and received gross proceeds of $345,000. Boustead Securities, LLC acted as placement agent in such private placement and received commissions of $24,150 or 7% of the gross proceeds received, a non-accountable expense allowance of 1% of such gross proceeds and warrants to purchase 2,415 shares of Series A Preferred Stock at an exercise price equal to $10 per share, the offering price of the Series A Preferred Stock.

Terms of the Series A Convertible Preferred Stock

Pursuant to the certificate of designations of its rights, privileges and limitations, the Series A Preferred Stock:

- shall pay a dividend of nine percent (9%) per annum (the "Dividend"), which Dividend shall be cumulative and payable in cash only in the event of Redemption of the Series A Preferred Stock. In the event that the Series A Preferred Stock shall be converted into shares of Common Stock, no Dividend shall accrue or be payable;
- shall have one vote per share; however, shall have no right to vote as a separate class on any matter submitted to vote by the stockholders of the Corporation, excluding any proposed amendment that would adversely alter or change any preference or any relative or other right given to the Series A Preferred Stock, in which event the Series A Preferred Stock may vote as a separate class with respect to such amendment;
- on a sale or liquidation of the Company the Series A Preferred Stock has a $10.00 per share preference over the Company Common Stock;
- by its terms, upon consummation of this offering, all of the issued and outstanding shares of Series A Preferred Stock will ***automatically*** convert into shares of the Common Stock (the "Conversion Shares") at a conversion price equal to 70% of the initial price per share of the Common Stock being offering pursuant to this prospectus (the "Conversion Price");
- if the IPO shall not have been completed by December 31, 2021, the Company shall redeem and repurchase for cash all of the outstanding shares of Series A Preferred Stock for a purchase price equal to (a) the product of multiplying the $10.00 Stated Value of each outstanding share of Series A Preferred Stock by the total number of outstanding shares of Series A Preferred Stock, plus (b) all accrued and unpaid Dividends owed thereon.

Private Placement of Convertible Notes and Warrants

On January 27, 2021, the Company completed a private placement offering pursuant to which we sold to two accredited investors an aggregate of $3,000,000 of our 6% convertible notes due six months from the date of issuance, subject to extension as provided below (the "Convertible Notes") and warrants pursuant to an exemption from registration under Rule 506(b) of Regulation D of the Securities Act. Boustead Securities, LLC acted as placement agent in the Convertible Note and Warrant offering and received commissions and non-accountable reimbursements of 8% of the gross proceeds received, of which one-half of such fees and expenses are payable upon the conversion of the Convertible Notes. In connection with the convertible note offering, we issued placement agent warrants to purchase 7.0% of the shares of Common Stock underlying the Convertible Notes exercisable at the conversion price of the Convertible Note (the "Conversion Price"), of which Boustead Securities, LLC received 80% of the placement agent warrants.

Upon completion of this Offering, assuming we sell not less than $15,000,000 of our Common Stock, the Convertible Notes will automatically convert into shares of Common Stock at a conversion price equal to the lesser of (a) $7.00 per share, representing a 30% discount to the public offering price per share of the Common Stock in this Offering, or (b) $6.33 per share, representing a 30% discount to the price per share equal to dividing $200 million by the total number of (x) the 21,604,496 shares of Common Stock immediately prior to the IPO, (y) the 49,286 shares of Common Stock issuable upon conversion of the 34,500 shares of Series A Preferred Stock, and (z) the 474,170 shares of Common Stock issuable upon conversion of all outstanding Convertible Notes (a "Mandatory Conversion"). Boustead Securities LLC acted as placement agent in both the December 30, 2020 and the January 27, 2021 private placements.

In the event the Company does not receive a minimum of $15,000,000 of gross proceeds in the Offering or otherwise close on the Offering, the Convertible Notes will bear interest at a rate of 6% per annum which shall accrue from January 27, 2021 and be repayable in six equal monthly installments between July 27, 2021 and January 27, 2022. Alternatively, the Convertible Notes may be converted at the conversion price into Common Stock at the option of the holder prior to the maturity date. If the notes are converted, either on a Mandatory Conversion basis or at the option of the holder, any interest accrued on the Convertible Note shall be waived.

In addition to the Convertible Notes, the purchasers of the Convertible Notes received three-year warrants entitling the holders to purchase 379,336 shares of Common Stock which equals 80% of the number of shares of Common Stock issuable upon conversion of the Convertible Notes. In the event the Convertible Notes are repaid in cash by the Company, the warrants will expire and have no further value.

This description of Convertible Notes and Warrants is intended to be a useful overview of the material provisions of the Convertible Notes and Warrants. However, you should read the Form of Convertible Note and Warrant for a complete description of the obligations of the Company.

In connection with this Offering, each purchaser of Convertible Notes and Warrants has agreed to the following lock-up agreement with respect to the underlying Common Stock:

i. From and after the date of closing and until the 180th day after the date the Company's Common Stock is first listed for trading on a national securities exchange (such first trading day, the "Lock-Up Trigger Date"), the Investor agrees not to sell, transfer or otherwise dispose of the Securities.

ii. Following the 181st day after the Lock-Up Trigger Date until the 365th day, the Investor is entitled to sell, transfer or otherwise dispose of all the Securities purchased pursuant to this Agreement, subject to a maximum sale on any trading day of 8% of the daily volume of the Common Stock. After the 365th day after the Lock-Up Trigger Date, the Investor will be entitled to sell the remaining Securities purchased hereunder without restriction.

iii. Notwithstanding the above, commencing 90 days after the Lock-Up Trigger Date, if the Company's Common Stock per share price is over 150% of the IPO Price for five consecutive trading days, until such time as the price drops below such level, the holders may sell one-third of their Securities subject to a maximum sale on any trading day of 15% of the daily volume; and if the Company's Common Stock per share price is over 175% of the IPO Price for five consecutive trading days, until such time as the price drops below such level, the holders may sell an additional one-third of their Securities subject to a maximum sale on any trading day of 15% of the daily volume; and if the Company Common Stock per share price is over 200% of the IPO Price for five consecutive trading days, until such time as the price drops below such level, the holders may sell an additional one-third constituting a maximum total of all of their Securities subject to a maximum sale on any trading day of 15% of the daily volume. Provided that the provisions of Rule 144 so permit, the Company shall deliver to the Investor an opinion of counsel (which opinion the Company will be responsible for obtaining at its own cost) to cover all of the converted shares and that such shares may be resold pursuant to Rule 144 free of restrictive legends but subject to the above-mentioned daily volume sale restrictions.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has not been a public market for our Common Stock. We are in the process of applying to list our Common Stock on the Nasdaq Capital Market under the symbol IPW. Future sales of substantial amounts of shares of our Common Stock in the public market after our initial public offering, or the possibility of these sales occurring, could cause the prevailing market price for our Common Stock to fall or impair our ability to raise equity capital in the future. Upon completion of this offering, we will have outstanding a total of 27,550,247 shares of Common Stock, which represents 100% of our outstanding common stock, assuming no exercise of the underwriters' over-allotment option.

All of the shares of Common Stock sold in this offering will be freely transferable by persons other than our affiliates without restriction or further registration under the Securities Act. All of our Common Stock outstanding prior to this offering, as well as all shares of Common Stock issuable upon conversion or exercise of the outstanding convertible notes, Series A preferred stock following completion of this offering, for a total of 22,550,247 shares, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those provided by Rule 144 and Rule 701 promulgated under the Securities Act, which rules are summarized below. These shares will be eligible for resale as follows:

Date	Number of Shares Eligible for Future Sale	Comment
Date of this prospectus	--	Freely tradable shares
After the date of this prospectus and before the 181st day after the date of this prospectus	5,557,828	These shares may be sold under Rule 144 or Rule 701
181 days after the date of this prospectus	16,176,441	These shares may be sold under Rule 144 or Rule 701 upon expiration of the lock-up agreements
At various times thereafter	815,978*	These shares may be sold under Rule 144 or Rule 701

* Of this amount, (i) following the completion of this offering, warrants to purchase 415,978 shares of our common stock will be outstanding, which if exercised would be saleable upon the expiration of the lock-up period and holding periods under Rule 144 and (ii) 400,000 shares of our common stock are subject to a separate lock-up and indemnification agreement.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person who is not deemed to have been our affiliate at any time during the three months preceding a sale and who has beneficially owned restricted securities within the meaning of Rule 144 for more than six months would be entitled to sell an unlimited number of those shares, subject only to the availability of current public information about us. A non-affiliate who has beneficially owned restricted securities for at least one year from the later of the date these shares were acquired from us or from our affiliate would be entitled to freely sell those shares.

A person who is deemed to be an affiliate of ours and who has beneficially owned "restricted securities" for at least six months would be entitled to sell, within any three-month period, a number of shares that is not more than the greater of:

- 1% of the number of common stock then outstanding, in the form of Common Stock or otherwise, which will equal approximately 275,502 shares immediately after this offering; or

- the average weekly trading volume of our Common Stock on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us. In addition, in each case, these shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the holding period requirement. If any of our employees, executive officers or directors purchase shares under a written compensatory plan or contract, they may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares would be required to wait until 90 days after the date of this prospectus before selling any such shares.

MATERIAL UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, and applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service, or IRS, all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and those investors therein);
- "controlled foreign corporations;"
- "passive foreign investment companies:"
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons subject to alternative minimum tax;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- accrual-method taxpayers subject to special tax accounting rules under Section 451(b) of the Code;
- persons who have elected to mark securities to market;
- persons who hold or receive our common stock pursuant to the exercise of any option or otherwise as compensation;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the underlying interests of which are held by qualified foreign pension funds; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS. YOU SHOULD ALSO CONSULT WITH YOUR TAX ADVISOR WITH RESPECT TO SUCH CHANGES IN U.S. TAX LAW AS WELL AS POTENTIAL CONFORMING CHANGES IN STATE TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a "U.S. person" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust; or, (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

As described under the section titled "Dividend Policy," we have not paid and do not anticipate paying dividends. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a non-U.S. holder's tax basis in our common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled "Gain on Disposition of Our Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding and Sections 1471 through 1474 of the Code (commonly referred to as FATCA), dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) and satisfy applicable certification and other requirements. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market during the calendar year in which the sale or other disposition occurs.

If we are a USRPHC and either our common stock is not regularly traded on an established securities market or a non-U.S. holder holds, or is treated as holding, more than 5% of our outstanding common stock, directly or indirectly, during the applicable testing period, gain described in the third bullet point above will generally be taxed in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply. Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC. If we are a USRPHC and our common stock is not regularly traded on an established securities market, a non-U.S. holder's proceeds received on the disposition of shares will also generally be subject to withholding at a rate of 15%. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our common stock paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required because the dividends were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock. Under applicable Treasury Regulations and administrative guidance, withholding under FATCA would have applied to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, but under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on such proposed regulations pending finalization), no withholding would apply with respect to payments of gross proceeds.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom D.A. Davidson & Co. is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares of common stock indicated below.

Underwriter	Number of Shares Common Stock
D.A. Davidson & Co.	
Roth Capital Partners, LLC	
US Tiger Securities, Inc.	
Total	

The underwriters and the representative are collectively referred to as the "underwriters" and the "representative," respectively. The underwriters are offering the shares of Common Stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Common Stock offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of Common Stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of Common Stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers. After the initial offering of the shares of Common Stock, the offering price, and other selling terms may from time to time be varied by the representative.

We have granted to the underwriters an option, exercisable for 45 days from the date of this prospectus supplement, to purchase up to an additional 750,000 shares of Common Stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of Common Stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of Common Stock as the number listed next to each underwriter's name in the preceding table bears to the total number of shares of Common Stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares from us.

	Per Share of Common Stock	Total Without Exercise of Underwriters' Option	Total With Full Exercise of Underwriters' Option
Public offering price	$	$	$
Underwriting discounts and commission	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of underwriting discounts and commissions, are approximately $1.64 million. This includes our agreement to reimburse the underwriters for their reasonable out-of-pocket expenses incurred in connection with their engagement as underwriters, including, without limitation, all marketing, syndication and travel expenses and legal fees as if the offering is consummated.

We have agreed that, subject to certain exceptions, without the prior written consent of D.A. Davidson & Co., on behalf of the underwriters, we will not, during the period ending 180 days after the date of this prospectus, (i) offer, pledge, issue, sell, contract to sell, purchase, contract to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise; (iii) file any registration statement with the SEC relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock; or (iv) publicly disclose the intention to do any of the foregoing.

Our directors and executive officers have agreed that, subject to specified exceptions, without the prior written consent of D.A. Davidson & Co., on behalf of the underwriters, they will not, during the period ending 180 days after the date of this prospectus, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock; (ii) enter into any hedging, swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the shares of common stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of shares of Common Stock or such other securities, in cash or otherwise; (iii) make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for Common Stock; or (iv) publicly disclose the intention to do or cause any of the foregoing.

In order to facilitate the offering of the shares of common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the shares of Common Stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares. The underwriters can close out a covered short sale by exercising the option to purchase additional shares or by purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option to purchase additional shares. The underwriters may also sell shares in excess of the option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of Common Stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the shares of Common Stock. These activities may raise or maintain the market price of the shares of Common Stock above independent market levels or prevent or retard a decline in the market price of the shares of Common Stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act. In addition, on April 27, 2021, we entered into an indemnification agreement with the underwriters pursuant to which we agreed to indemnify the underwriters in the event Boustead Securities LLC, our prior placement agent and financial advisor, brings an action against any of the Underwriters in relation to this initial public offering.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representative may agree to allocate a number of shares of Common Stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representative to the underwriters that may make Internet distributions on the same basis as other allocations.

In addition, in the ordinary course of their various business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers, and such investment and securities activities may involve our securities and/or instruments. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Non-U.S. Investors

European Economic Area

In relation to each Member State of the European Economic Area (each, a "Relevant Member State"), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of the shares may be made to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Regulation:

A. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

B. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representative for any such offer; or

C. in any circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require the issuer or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The above selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Israel

In the State of Israel, this prospectus supplement shall not be regarded as an offer to the public to purchase shares of common stock under the Israeli Securities Law, 5728 – 1968, which requires a prospectus to be published and authorized by the Israel Securities Authority, if it complies with certain provisions of Section 15 of the Israeli Securities Law, 5728 – 1968, including, inter alia, if: (i) the offer is made, distributed or directed to not more than 35 investors, subject to certain conditions (the "Addressed Investors"); or (ii) the offer is made, distributed or directed to certain qualified investors defined in the First Addendum of the Israeli Securities Law, 5728 –1968, subject to certain conditions (the "Qualified Investors"). The Qualified Investors shall not be taken into account in the count of the Addressed Investors and may be offered to purchase securities in addition to the 35 Addressed Investors. The company has not and will not take any action that would require it to publish a prospectus in accordance with and subject to the Israeli Securities Law, 5728 – 1968. We have not and will not distribute this prospectus supplement or make, distribute or direct an offer to subscribe for our common stock to any person within the State of Israel, other than to Qualified Investors and up to 35 Addressed Investors.

Qualified Investors may have to submit written evidence that they meet the definitions set out in of the First Addendum to the Israeli Securities Law, 5728 – 1968. In particular, we may request, as a condition to be offered common stock, that Qualified Investors will each represent, warrant and certify to us and/or to anyone acting on our behalf: (i) that it is an investor falling within one of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968; (ii) which of the categories listed in the First Addendum to the Israeli Securities Law, 5728 – 1968 regarding Qualified Investors is applicable to it; (iii) that it will abide by all provisions set forth in the Israeli Securities Law, 5728 – 1968 and the regulations promulgated thereunder in connection with the offer to be issued common stock; (iv) that the shares of common stock that it will be issued are, subject to exemptions available under the Israeli Securities Law, 5728 – 1968: (a) for its own account; (b) for investment purposes only; and (c) not issued with a view to resale within the State of Israel, other than in accordance with the provisions of the Israeli Securities Law, 5728 – 1968; and (v) that it is willing to provide further evidence of its Qualified Investor status. Addressed Investors may have to submit written evidence in respect of their identity and may have to sign and submit a declaration containing, inter alia, the Addressed Investor's name, address and passport number or Israeli identification number.

We have not authorized and do not authorize the making of any offer of securities through any financial intermediary on our behalf, other than offers made by the underwriters and their respective affiliates, with a view to the final placement of the securities as contemplated in this document. Accordingly, no purchaser of the shares, other than the underwriters, is authorized to make any further offer of shares on our behalf or on behalf of the underwriters.

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA"), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Australia

This prospectus is not a disclosure document under Chapter 6D of the Australian Corporations Act, has not been lodged with the Australian Securities and Investments Commission and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act. Accordingly, (i) the offer of the securities under this prospectus is only made to persons to whom it is lawful to offer the securities without disclosure under Chapter 6D of the Australian Corporations Act under one or more exemptions set out in section 708 of the Australian Corporations Act, (ii) this prospectus is made available in Australia only to those persons as set forth in clause (i) above, and (iii) the offeree must be sent a notice stating in substance that by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (i) above, and, unless permitted under the Australian Corporations Act, agrees not to sell or offer for sale within Australia any of the securities sold to the offeree within 12 months after its transfer to the offeree under this prospectus.

Hong Kong

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for shares of our common stock and preferred stock is VStock Transfer, LLC, Woodmere, New York. Our Transfer Agent and Registrar's telephone number is (212) 828-8436.

LEGAL MATTERS

Michelman & Robinson, LLP, Los Angeles, CA and New York, NY has acted as our counsel in connection with the preparation of this prospectus. Orrick, Herrington & Sutcliffe LLP, San Francisco, CA has acted as counsel for the underwriters.

EXPERTS

The consolidated and combined financial statements of iPower Inc. appearing in this prospectus and related registration statement as of and for the years ending June 30, 2020 and June 30, 2019 have been audited by UHY LLP, an independent registered public accounting firm, as set forth in their report thereon and are included in reliance upon such report given on the authority of UHY LLP as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the Common Stock offered by this prospectus. This prospectus, which is part of the registration statement, does not contain all of the information set forth in the registration statement and omits certain information, exhibits, schedules and undertakings set forth in the registration statement. For further information pertaining to us and our common stock, reference is made to the registration statement and the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents or provisions of any documents referred to in this prospectus are not necessarily complete, and in each instance where a copy of the document has been filed as an exhibit to the registration statement, reference is made to the exhibit for a more complete description of the matters involved.

You may read and copy all or any portion of this registration statement at the SEC's website at *http://www.sec.gov*. We also maintain a website at www.meetiPower.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated into, this prospectus. We have included our website in this prospectus solely as an inactive textual reference, and you should not consider the contents of our website in making an investment decision with respect to our common stock. The registration statement, including all exhibits and amendments to the registration statement, has been filed electronically with the SEC.

INDEX TO CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

iPower Inc.
Unaudited Condensed Consolidated Balance Sheets
As of December 31, 2020 and June 30, 2020

	December 31, 2020	June 30, 2020
ASSETS		
Current assets		
Cash and cash equivalent	$ 544,073	$ 977,635
Accounts receivable	6,483,238	6,067,199
Inventories, net	8,747,109	5,743,181
Prepayments and other current assets	2,139,037	616,231
Total current assets	17,913,457	13,404,246
Right of use - non current	2,152,427	262,875
Property and equipment, net	57,134	6,252
Other non current assets	96,930	–
Total assets	$ 20,219,948	$ 13,673,373
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	5,683,522	4,220,347
Credit cards payable	844,090	892,792
Customer deposit	674,643	741,301
Due to related parties	170,917	133,793
Other payables and accrued liabilities	2,265,882	1,940,858
Short-term loans payable	2,022,811	1,329,680
Lease liability – current	635,946	262,875
Long-term loan payable - current portion	21,933	–
Income taxes payable	1,243,054	721,211
Preferred stock warrant liabilities	8,047	–
Redeemable preferred stock, $0.001 par value; 20,000,000 shares authorized; 34,500 and 0 shares issued and outstanding at December 31, 2020 and June 30, 2020	345,000	–
Total current liabilities	13,915,845	10,242,857
Non current liabilities		
Long-term loan payable	478,067	500,000
Lease liability - non current	1,544,048	–
Total non current liabilities	2,022,115	500,000
Total liabilities	15,937,960	10,742,857
Commitments and contingency	–	–
Stockholders' Equity		
Class A Common Stock, $0.001 par value; 166,000,000 shares authorized; 20,204,496 and 20,204,496 shares issued and outstanding at December 31, 2020 and June 30, 2020 *	20,204	20,204
Class B Common Stock, $0.001 par value; 14,000,000 shares authorized; 14,000,000 shares issued and outstanding at December 31, 2020 and June 30, 2020 *	14,000	14,000
Subscription receivable	–	(14,000)
Additional paid in capital	389,490	389,490
Retained earnings	3,858,294	2,520,822
Total equity	4,281,988	2,930,516
Total liabilities and equity	$ 20,219,948	$ 13,673,373

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. Except shares authorized, all references to number of shares, and to per share information in the consolidated and combined financial statements have been retroactively adjusted.

*On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods.

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

iPower Inc.
Unaudited Condensed Consolidated Statements of Operations

For the Six Months Ended December 31, 2020 and 2019

	For the Six Months Ended December 31,	
	2020	2019
	(Unaudited)	(Unaudited)
REVENUES	$ 26,214,252	$ 15,506,231
TOTAL REVENUES	26,214,252	15,506,231
COST OF REVENUES	15,703,873	10,098,357
GROSS PROFIT	10,510,379	5,407,874
OPERATING EXPENSES:		
Selling	4,894,636	2,667,694
General and administrative	3,686,264	1,935,975
Total operating expenses	8,580,900	4,603,669
INCOME FROM OPERATIONS	1,929,479	804,205
OTHER INCOME (EXPENSE)		
Interest income (expenses)	(49,538)	(17,297)
Other financing expenses	(37,447)	–
Other non-operating income (expense)	17,852	15,267
Total other income (expense), net	(69,133)	(2,030)
INCOME BEFORE INCOME TAXES	1,860,346	802,175
PROVISION FOR INCOME TAXES	522,874	224,953
NET INCOME	$ 1,337,472	$ 577,222
WEIGHTED AVERAGE NUMBER OF Class A Common Stock*		
Basic and diluted	20,204,496	20,000,000
EARNINGS PER SHARE *		
Basic and diluted	$ 0.066	$ 0.029

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. The computation of basic and diluted EPS was retroactively adjusted for all periods presented.

*On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods. The computation of basic and diluted EPS did not include the Class B Common Stock as the holders of Class B Common Stock have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock.

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

iPower Inc.
Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity

For the Six Months Ended December 31, 2020 and 2019

	Class A Common Stock*		Class B Common Stock*		Subscription	Additional Paid in	Retained	
	Shares	Amount	Shares	Amount	Receivable	Capital	Earnings	Total
Balance, June 30, 2019	20,000,000	$ 20,000	14,000,000	$ 14,000	$ (14,000)	$ (37,316)	$ 533,860	$ 516,544
Net income	–	–	–	–	–	–	577,222	577,222
Balance, December 31, 2019, unaudited	20,000,000	$ 20,000	14,000,000	$ 14,000	$ (14,000)	$ (37,316)	$ 1,111,082	$ 1,093,766
Balance, June 30, 2020	20,204,496	$ 20,204	14,000,000	$ 14,000	$ (14,000)	$ 389,490	$ 2,520,822	$ 2,930,516
Net income	–	–	–	–	–	–	1,337,472	1,337,472
Cash for Class B Common Stock					14,000			14,000
Balance, December 31, 2020, unaudited	20,204,496	$ 20,204	14,000,000	$ 14,000	$ –	$ 389,490	$ 3,858,294	$ 4,281,988

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. Except shares authorized, all references to number of shares, and to per share information in the consolidated and combined financial statements have been retroactively adjusted.

*On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods.

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

iPower Inc.
Unaudited Condensed Consolidated Statements of Cash Flows
For the Six Months Ended December 31, 2020 and 2019

	For the Six Months Ended December 31, 2020 (Unaudited)	2019 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,337,472	$ 577,222
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation expense	4,869	–
Non-cash operating lease expense	27,567	–
Preferred stock warrant expense	8,047	–
Change in operating assets and liabilities		
Accounts receivable	(416,040)	(373,724)
Inventories	(3,003,928)	(634,854)
Prepayments and other current assets	(1,522,806)	(100,667)
Other non current assets	(96,930)	–
Accounts payable	1,463,175	148,754
Credit cards payable	(48,702)	112,391
Customer deposit	(66,658)	243,495
Other payables and accrued liabilities	325,024	366,311
Income taxes payable	521,843	(19,970)
Net cash (used in) / provided by operating activities	(1,467,067)	318,958
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(55,751)	(6,252)
Net cash (used in) investing activities	(55,751)	(6,252)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related parties	157,624	992,634
Payments to related parties	(120,498)	(1,811,079)
Proceeds from short-term loans	15,100,625	7,411,369
Payments on short-term loans	(14,407,495)	(6,954,743)
Shares issued	359,000	–
Net cash provided by / (used in) financing activities	1,089,256	(361,819)
CHANGES IN CASH	(433,562)	(49,113)
CASH AND CASH EQUIVALENT, beginning of year	977,635	471,458
CASH AND CASH EQUIVALENT, end of year	$ 544,073	$ 422,345
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income tax	$ –	$ 244,923
Cash paid for interest	$ 49,538	$ 17,297
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Right of use assets acquired under new operating leases	$ 2,346,200	$ –

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

Note 1 - Nature of business and organization

iPower Inc., formerly known as BZRTH Inc. (the "Company"), a Nevada corporation incorporated on April 11, 2018, is principally engaged in the marketing and sale of advanced indoor and greenhouse lighting, ventilation systems, nutrients, growing media, grow tents, trimming machines, pumps and accessories in the United States.

Effective on March 1, 2020, as amended and restated pursuant to an agreement dated October 26, 2020, the Company entered into an agreement with E Marketing Solution Inc. ("E Marketing"), an entity incorporated in California and owned by one of the shareholders of the Company. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to E Marketing's business during the term of the agreement. The Company agrees to fund E Marketing for operational cash flow needs and bear the risk of E Marketing's losses from operations and E Marketing agrees that iPower has rights to E Marketing's net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of E Marketing or its assets subject to assumption of all of its liabilities. E Marketing is determined as a variable interest entity ("VIE"). See Note 2 and Note 3 below for details.

On September 4, 2020, the Company entered into an agreement with Global Product Marketing Inc. ("GPM"), an entity incorporated in the State of Nevada on September 4, 2020. GPM is wholly owned by Chenlong Tan, the Chairman, CEO and President and one of the majority shareholders of the Company. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to GPM's business during the term of the Agreement. The Company agrees to fund GPM for operational cash flow needs and bear the risk of GPM's losses from operations and GPM agrees that the Company has rights to GPM's net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of GPM or its assets subject to assumption of all of its liabilities. GMP is determined as a variable interest entity ("VIE"). See Note 2 and Note 3 below for details.

Note 2 – Basis of Presentation and Summary of significant accounting policies

Basis of presentation

The unaudited condensed consolidated financial statements include the accounts of the Company and its variable interest entities and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and the requirements of the U.S. Securities and Exchange Commission ("SEC") for interim reporting. As permitted under those rules, certain footnotes or other financial information that are normally required by U.S. GAAP can be condensed or omitted. These unaudited condensed consolidated financial statements have been prepared on the same basis as its annual consolidated financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company's financial information. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending June 30, 2021, or for any other interim period or for any other future year. All intercompany balances and transactions have been eliminated in consolidation.

These unaudited condensed consolidated interim financial statements should be read in conjunction with our audited financial statements for years ended June 30, 2020 and 2019 included in the prospectus herein.

Note 2 – Basis of Presentation and Summary of significant accounting policies (Continued)

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its VIEs, E Marketing Solution Inc. and Global Product Marketing Inc. All inter-company balances and transactions have been eliminated.

Use of estimates and assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates.

Variable interest entities

The Company entered into an agreement with E Marketing Solution Inc. (“E Marketing”), an entity incorporated in California and owned by one of the shareholders of the Company. The Company also entered into an agreement with Global Product Marketing Inc. (“GPM”), an entity incorporated in the State of Nevada on September 4, 2020. GPM is owned by Chenlong Tan, the Chairman, CEO, President, and one of the majority shareholders of the Company. The Company does not have direct ownership in E Marketing and GPM but has been actively involved in their operations and has the power to direct the activities and significantly impact E Marketing’s and GPM’s economic performance. The Company also bears all the risk of losses and has the right to receive all of the benefits from E Marketing and GPM. As such, in accordance with ASC 810-10-25-38A through 25-38J, E Marketing and GPM are considered variable interest entities (“VIEs”) of the Company and the financial statements of E Marketing and GPM were consolidated from the date of control existed.

Cash and cash equivalents

Cash and cash equivalents consist of amounts held as cash on hand and bank deposits.

From time to time, the Company may maintain bank balances in interest bearing accounts in excess of the $250,000 currently insured by the Federal Deposit Insurance Corporation for interest bearing accounts (there is currently no insurance limit for deposits in noninterest bearing accounts). The Company has not experienced any losses with respect to cash. Management believes our Company is not exposed to any significant credit risk with respect to its cash.

Accounts receivable

During the ordinary course of business, the Company extends unsecured credit to its customers. Accounts receivable are stated at the amount the Company expects to collect from customers. Management reviews its accounts receivable balances each reporting period to determine if an allowance for credit loss is required.

In July 2020, the Company adopted ASU 2016-13, Topics 326 - Credit Loss, Measurement of Credit Losses on Financial Instruments, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology, for its accounting standard for its trade accounts receivable.

Note 2 – Basis of Presentation and Summary of significant accounting policies (Continued)

Accounts receivable (Continued)

The Company evaluates the creditworthiness of all of its customers individually before accepting them and continuously monitors the recoverability of accounts receivable. If there are any indicators that a customer may not make payment, the Company may consider making provision for non- collectability for that particular customer. At the same time, the Company may cease further sales or services to such customer. The following are some of the factors that the Company develops allowance for credit losses:

- the customer fails to comply with its payment schedule;
- the customer is in serious financial difficulty;
- a significant dispute with the customer has occurred regarding job progress or other matters;
- the customer breaches any of the contractual obligations;
- the customer appears to be financially distressed due to economic or legal factors;
- the business between the customer and the Company is not active; and
- other objective evidence indicates non-collectability of the accounts receivable

The adoption of the credit loss accounting standard has no material impact on the Company's consolidated financial statements. Accounts receivable are recognized and carried at carrying amount less an allowance for credit losses, if any. The Company maintains an allowance for credit losses resulting from the inability of its customers to make required payments based on contractual terms. The Company reviews the collectability of its receivables on a regular and ongoing basis. The Company has also included in calculation of allowance for credit losses, the potential impact of the COVID-19 pandemic on our customers businesses and their ability to pay their accounts receivable. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. The Company also considers external factors to the specific customer, including current conditions and forecasts of economic conditions, including the potential impact of the COVID-19 pandemic. In the event we recover amounts previously written off, we will reduce the specific allowance for credit losses.

Fair values of financial instruments

Financial instruments include cash and cash equivalents, accounts receivable, prepayments and other current assets, other payable and accrued liabilities, due to related party, and taxes payable. The Company considers the carrying amount of short-term financial instrument to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization.

For other financial instruments to be reported at fair value, 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 the fair value of its financial instruments 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 are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 – Inputs are observable, unadjusted quoted prices in active markets for similar assets or liabilities, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities; and

Level 3 – Unobservable inputs that are significant to the measurement of the fair value of the assets or liabilities that are supported by little or no market data.

The Series A Convertible Preferred Stock and the Series A Preferred Stock Warrants are valued under Level 2 and Level 3, respectively, both of which are recurring fair value measurements. See Notes 12 and 13 below for details.

Note 2 – Basis of Presentation and Summary of significant accounting policies (Continued)

Revenue recognition

The Company has adopted Accounting Standards Codification ("ASC") 606 since its inception on April 11, 2018 and recognizes revenue from product sales revenues, net of promotional discounts and return allowances, when the following revenue recognition criteria are met: a contract has been identified, separate performance obligations are identified, the transaction price is determined, the transaction price is allocated to separate performance obligations and revenue is recognized upon satisfying each performance obligation. The Company transfers the risk of loss or damage upon shipment, therefore, revenue from product sales is recognized when it is shipped to the customer. Return allowances, which reduce product revenue by the Company's best estimate of expected product returns, are estimated using historical experience.

The Company evaluates the criteria of ASC 606 - Revenue Recognition Principal Agent Considerations in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. Generally, when the Company is primarily responsible for fulfilling the promise to provide a specified good or service, the Company is subject to inventory risk before the good or service has been transferred to a customer and the Company has discretion in establishing the price, revenue is recorded at gross.

Payments received prior to the delivery of goods to customers are recorded as customer deposits.

The Company periodically provides incentive offers to its customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases and other similar offers. Current discount offers, when accepted by the Company's customers, are treated as a reduction to the purchase price of the related transaction.

Sales discounts are recorded in the period in which the related sale is recognized. Sales return allowances are estimated based on historical amounts and are recorded upon recognizing the related sales. Shipping and handling costs are recorded as selling expenses.

Cost of revenue

Cost of revenue mainly consist of costs for purchases of products and related inbound freight and delivery fees.

Inventory

Inventory consists of finished goods ready for sale and is stated at the lower of cost or market. The Company values its inventory using the weighted average costing method. The Company's policy is to include as a part of cost of goods sold any freight incurred to ship the product from its vendors to warehouses. Outbound freight costs related to shipping costs to customers are considered periodic costs and are reflected in selling, general and administrative expenses. The Company regularly reviews inventory and considers forecasts of future demand, market conditions and product obsolescence.

If the estimated realizable value of the inventory is less than cost, the Company makes provisions in order to reduce its carrying value to its estimated market value. The Company also reviews inventory for slow moving inventory and obsolescence and records allowance for obsolescence.

Note 2 – Basis of Presentation and Summary of significant accounting policies (Continued)

Segment reporting

The Company follows ASC 280, Segment Reporting. The Company's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results of operations when making decisions about allocating resources and assessing the performance of the Company as a whole and hence, the Company has only one reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. The Company's long-lived assets are all located in California, United States, and substantially all of the Company's revenues are derived from within the USA. Therefore, no geographical segments are presented.

Leases

On its inception date, April 11, 2018, the Company adopted ASC 842 – Leases ("ASC 842"), which requires lessees to record right-of-use ("ROU") assets and related lease obligations on the balance sheet, as well as disclose key information regarding leasing arrangements.

ROU assets represent our right to use an underlying asset for the lease terms and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company generally uses its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Deferred offering costs

The Company capitalizes certain legal, accounting and other third-party fees that are directly related to an equity financing that is probable of successful completion until such financing is consummated. After consummation of an equity financing, these costs are recorded as a reduction of the proceeds received as a result of the financing. Should a planned equity financing be abandoned, terminated or significantly delayed, the deferred offering costs are immediately written off to operating expenses in the consolidated statements of operations and comprehensive income (loss) in the period of determination. As of December 31, 2020 and June 30, 2020, $232,589 and $0 of deferred offering costs were included in prepaid expenses and other current assets in the condensed consolidated balance sheets, respectively.

Income taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their perspective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the 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 includes the enactment date. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

As a result of the implementation of certain provisions of ASC 740, Income Taxes ("ASC 740"), which clarifies the accounting and disclosure for uncertainty in tax position, as defined, ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The Company has adopted the provisions of ASC 740 since inception, April 11, 2018, and has analyzed filing positions in each of the federal and state jurisdictions where the Company is required to file income tax returns, as well as open tax years in such jurisdictions. The Company has identified the U.S. federal jurisdiction, and the states of Nevada and California, as its "major" tax jurisdictions. However, the Company has certain tax attribute carryforwards, which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

The Company believes that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to its financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. The Company's policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Note 2 – Basis of Presentation and Summary of significant accounting policies (Continued)

Commitments and contingencies

In the ordinary course of business, the Company is subject to certain contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss has occurred and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments including historical and specific facts and circumstances of each matter.

Series A Convertible Preferred Stock

On December 30, 2020, the Company issued a total of 34,500 shares of Series A Convertible Preferred Stock, par value $0.001 per share. Pursuant to the certificate of designations, the Series A Convertible Preferred Stock will automatically convert into shares of the Class A Common Stock (the "Conversion Shares") at a conversion price equal to 70% of the initial price per share of the Class A Common Stock. If the IPO shall not have occurred by December 31, 2021, the Company shall redeem and repurchase for cash all of the outstanding shares of Series A Convertible Preferred Stock for a purchase price equal to (a) the product of multiplying the $10.00 Stated Value of each outstanding share of Series A Convertible Preferred Stock by the total number of outstanding shares of Series A Convertible Preferred Stock, plus (b) all accrued and unpaid Dividends at 9% per annum. In the event that the Series A Convertible Preferred Stock shall be converted into Conversion Shares, no Dividend shall accrue or be payable.

The redemption feature creates an obligation to the Company requiring it to redeem the Preferred Shares for cash on December 31, 2021, if an IPO does not occur. Upon an IPO, the Conversion Option is settleable with a variable number of the Company's shares resulting in a fixed monetary amount known at inception in accordance with ASC 480-10-25-14a. The Series A convertible preferred stock are mandatorily redeemable and should be classified as a liability in accordance with ASC 480-10 and the Company has elected to record the Series A Convertible Preferred Stock at fair value with changes in fair value recorded through earnings under the ASC 825-10-15-4 fair value option ("FVO") election.

Series A Preferred Stock Warrant

In connection with this private placement, the Company issued warrants to purchase shares of Series A Convertible Preferred Stock. The exercise price of the warrants is $10 per share. The Company accounts for its redeemable convertible preferred stock warrants as a liability, and they are recorded at their estimated fair value, because the warrants may conditionally obligate the Company to transfer assets at some point in the future. At the end of each reporting period, changes in the estimated fair value during the period are recorded in other income (expense), net in the statement of operations. The Company will continue to adjust the liability for changes in estimated fair value until the earlier of the expiration of the warrants, exercise of the warrants, or conversion of the redeemable convertible preferred stock warrants into common stock warrants upon the completion of a liquidation event, including the completion of an IPO.

Earnings per share

Basic earnings per share are computed by dividing net income attributable to holders of common stock by the weighted average number of common stock outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if securities to issue common stock were exercised.

Note 2 – Basis of Presentation and Summary of significant accounting policies (Continued)

Recently issued accounting pronouncements

In August 2020, the FASB issued 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)". This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. This standard is effective for the Company on July 1, 2022, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The Company is currently assessing the impact the new guidance will have on our consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes. The update is intended to simplify the current rules regarding the accounting for income taxes and addresses several technical topics including accounting for franchise taxes, allocating income taxes between a loss in continuing operations and in other categories such as discontinued operations, reporting income taxes for legal entities that are not subject to income taxes, and interim accounting for enacted changes in tax laws. The new standard is effective for fiscal years beginning after December 15, 2020; however, early adoption is permitted. The Company does not expect the adoption of this standard have a material impact on the consolidated financial statements.

The Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated financial position, statements of operations and cash flows.

Subsequent events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the date that the consolidated combined financial statements are available to be issued. Material subsequent events that required recognition or additional disclosure in the consolidated financial statements are presented.

Note 3 – Variable interest entity

Effective on March 1, 2020, as amended and restated pursuant to an agreement dated Oct 26, 2020, the Company entered into an agreement with E Marketing Solution Inc. ("E Marketing"), an entity incorporated in California and owned by one of the shareholders of the Company. Pursuant to the terms of the agreement, the Company provides technical support, management services and other services on an exclusive basis in relation to E Marketing's business during the term of the agreement. The Company agrees to fund E Marketing for operational cash flow needs and bear the risk of E Marketing's losses from operations and E Marketing agrees that iPower has rights to E Marketing's net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of E Marketing or its assets subject to assumption of all of its liabilities. As of December 31, 2020 and June 30, 2020, the Company had paid $60,270 and $20,600 to fund all of E Marketing's operations under this agreement.

Note 3 – Variable interest entity (Continued)

On September 4, 2020, the Company entered into an agreement with Global Product Marketing Inc. (“GPM”), an entity incorporated in the State of Nevada on September 4, 2020. GPM is owned by Chenlong Tan, the Chairman, CEO, President, and one of the majority shareholders of the Company. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to GPM’s business during the term of the Agreement. The Company agrees to fund GPM for operational cash flow needs and bear the risk of GPM’s losses from operations and GPM agrees that the Company has rights to GPM’s net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of GPM or its assets subject to assumption of all of its liabilities. As of December 31, 2020 and June 30, 2020, the Company had paid $30,875 and $0 for GPM’s operating expenses.

Summary of Key Terms of the Exclusive Business Cooperation Agreements with E Marketing and GPM (“VIEs"):

- iPower is the exclusive manager of the VIEs
- The VIEs shall not directly or indirectly accepts same or similar services from other parties
- The Agreement shall remain effective unless terminated by iPower
- iPower is granted an irrevocable and exclusive option to purchase all assets and business at nominal price
- iPower agrees to fund VIEs’ operational needs and bear the risk of VIEs’ losses from operations and VIEs agree that iPower has rights to VIEs’ net profits, if any

Pursuant to the terms of the Agreements, the Company does not have direct ownership in E Marketing and GPM but has been actively involved in their operations as the sole management to direct the activities and significantly impact E Marketing’s and GPM’s economic performance. Each of E Marketing and GPM has only one shareholder and all operation funding were provided by the Company. The Company bears all the risk of losses and has the right to receive all of the benefits from E Marketing and GPM. As such, based on the determination that the Company is the primary beneficiary of E Marketing and GPM, in accordance with ASC 810-10-25-38A through 25-38J, E Marketing and GPM are considered variable interest entities (“VIEs”) of the Company and the financial statements of E Marketing and GPM were consolidated from the date of control existed, March 1, 2020 and September 4, 2020, respectively.

The Company did not provide financial or other support to the VIEs for the periods presented that the Company was not previously contractually required to provide.

As of December 31, 2020 and June 30, 2020, there were no pledge or collateralization of the VIEs’ assets that can only be used to settle obligations of the VIEs.

The carrying amount of the VIEs’ assets and liabilities are as follows for the period indicated:

	December 31, 2020	June 30, 2020
Cash in bank	$ 243,633	$ 72,686
Receivables from iPower	$ 153,382	$ –
Payables to iPower	$ 238,802	$ 72,686
Income tax payable	$ 59,678	$ –
Other payables	$ 5,220	$ –

The assets and payables were included in the consolidated balance sheets as of December 31, 2020 and June 30, 2020 and the payables to and receivables from iPower were eliminated in consolidation.

Note 3 – Variable interest entity (Continued)

The operating results of the VIEs are as follows for the six months ended December 31, 2020:

	2020
Revenue	$ 415,219
Net income	$ 113,914

Note 4 - Accounts receivable

Accounts receivable consisted of the following as of the date indicated:

	December 31, 2020	June 30, 2020
Accounts receivable	$ 6,483,238	$ 6,067,199
Less: allowance for credit losses	–	–
Total accounts receivable	$ 6,483,238	$ 6,067,199

Credit loss expenses were $0 for the six months ended December 31, 2020 and 2019, respectively.

Note 5 – Inventories

As of December 31, 2020 and June 30, 2020, inventories consisted of finished goods ready for sale, net of allowance for obsolescence, amounted to $8,747,109 and $5,743,181, respectively.

As of December 31, 2020 and June 30, 2020, allowance for obsolescence was $95,574 and $95,574, respectively.

Note 6 – Prepayments and other current assets

As of December 31, 2020 and June 30, 2020, prepayments and other current assets consisted of the followings:

	December 31, 2020	June 30, 2020
Advance to suppliers	$ 1,381,010	$ 298,841
Prepaid expenses and Other receivables	758,027	317,390
Total	$ 2,139,037	$ 616,231

Other receivables consisted of delivery fees of $249,672 and $132,433 receivable from two unrelated parties for their use of the Company’s courier accounts at December 31, 2020 and June 30, 2020. As of the date of this report, the amount had been fully collected.

Note 7 – Loans payable

Short-term loans

PPP note payable

On April 13, 2020, the Company entered into an agreement with Royal Business Bank (the “Lender”) for a total amount of $175,500, pursuant to a promissory note issued by the Company to the Lender (the “PPP Note”). The loan was made pursuant to the Payroll Protection Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The PPP Note bears interest at the rate of 1.00% per annum and may be repaid at any time without penalty. The PPP Note contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in a claim for the immediate repayment of all amounts outstanding under the PPP Note.

The Company accounts for the PPP loan under Topic 470 as follows: (a) Initially record the cash inflow from the PPP Note as a financial liability and accrue interest in accordance with the interest method under ASC Subtopic 835-30; (b) Not impute additional interest at a market rate; (c) Continue to record the proceeds from the loan as a liability until either (1) the loan is partly or wholly forgiven and the debtor has been legally released by the Lender or (2) the debtor pays off the loan; (d) Reduce the liability by the amount forgiven and record a gain on extinguishment once the loan is partly or wholly forgiven and legal release is received. As of December 31, 2020 and June 30, 2020, the Company had an outstanding balance of $175,500 under the PPP Note. As of the date of this report, the PPP Note had been fully forgiven.

Revolving credit facility

On May 3, 2019, the Company entered into an agreement with WFC Fund LLC (“WFC") for a revolving loan of up to $2,000,000. The revolving loan had an interest equal to the prime rate plus 4.25% per annum on the outstanding amount. On May 26, 2020, the Loan and Security Agreement was amended and restated as a Receivable Purchase Agreement (the “Original RPA”), pursuant to which WFC may, but is not obligated to, purchase accounts receivable from the Company from time to time. The credit limit of the revolving facility under the Original RPA was $2,000,000, which had a discount rate equal to the prime rate plus 4.25% per annum on the outstanding amount. This revolving credit facility is secured by all of the Company’s assets and guaranteed by Allan Huang, a former director and executive officer, and one of the Company’s major shareholders and founders. Pursuant to the Original RPA, the purchases of accounts receivable were made with full recourse to the Company, and the Company was obligated to collect the accounts receivables and to repurchase or pay back the amount drawn if the accounts receivable were not collected. In accordance with ASC 860-10-05, the revolving credit facility under the Receivable Purchase Agreement is treated as secured borrowing.

On November 16, 2020, the Original RPA was further amended and restated (the “Restated RPA”) to increase the credit limit of the revolving credit facility from $2,000,000 to $3,000,000. The Restated RPA bears a discount rate of 3.055555%, subject to a rebate of 0.0277% per day. This revolving credit facility is secured by all of the Company’s assets and guaranteed by Chenlong Tan, the CEO and one of the Company’s major shareholders and founders. Pursuant to the agreement, all purchases of accounts receivable are without recourse to the Company, and WFC assumes the risk of nonpayment of the accounts receivable due to a customer’s financial inability to pay the accounts receivable or the customer’s insolvency but not the risk of non-payment of the accounts receivable for any other reason. The Company is obligated to collect the accounts receivables and to repurchase or pay back the amount drawn if the accounts receivable are not collected.

As of December 31, 2020 and June 30, 2020, the outstanding balance due was $1,547,311 and $1,154,180, respectively.

Loans payable

During the quarter ended December 31, 2020, the Company borrowed a total amount of $300,000 from two unrelated parties for short-term cash flow needs. The loans bear interest at the rate of 8% per annum and may be repaid at any time without penalty. As of December 31, 2020, the outstanding balance of the loans was $300,000. As of the date of this filing, the Company had fully repaid the outstanding amount.

Note 7 – Loans payable (Continued)

Long-term loan

SBA loan payable

On April 18, 2020, the Company entered into an agreement with the U.S. Small Business Administration ("SBA") for a loan of $500,000 under Section 7(b) of the Small Business Act. This promissory note (the "SBA Note") bears interest at the rate of 3.75% per annum and matures 30 years from the date of the SBA Note. Monthly Installment payments, including principal and interest, will begin twelve months from the date of the SBA Note. As of December 31, 2020, the outstanding balance of the SBA Note was $500,000, which include current portion of $21,933 and non current portion of $478,067.

Note 8 - Related party transactions

On December 1, 2018, the Company acquired certain assets and assumed liabilities from BizRight, LLC, an entity owned and managed by the founders and officers of the Company. The net assets received were recorded at their historical carrying amounts and the purchase price of $2,611,594 was recorded as payable due to related parties. The purchase price shall be paid based on the Company's cash flow availability and bears an interest rate of 8% per annum on the outstanding amount. During the six months ended December 31, 2020 and 2019, the Company recorded proceeds of $157,624 and $992,634 and payments of $120,498 and $1,811,079, respectively. As of December 31, 2020 and June 30, 2020, the outstanding amount due to related parties was $170,917 and $133,793, respectively.

Note 9 – Income taxes

On December 22, 2017, the U.S. President signed into law H.R.1, formerly known as the Tax Cuts and Jobs Act (the "Tax Legislation"). The Tax Legislation significantly revised the U.S. tax code by, (i) lowering the U.S federal statutory income tax rate from 35% to 21%, (ii) implementing a territorial tax system, (iii) imposing a one-time transition tax on deemed repatriated earnings of foreign subsidiaries, (iv) requiring a current inclusion of global intangible low taxed income of certain earnings of controlled foreign corporations in U.S. federal taxable income, (v) creating the base erosion anti-abuse tax regime, (vi) implementing bonus depreciation that will allow for full expensing of qualified property, and (vii) limiting deductibility of interest and executive compensation expense, among other changes. The Company did not record deferred tax assets or liabilities as the temporary and permanent differences were immaterial. The Company has computed its tax expenses using the new statutory rate effective on January 1, 2018 of 21%.

Other provisions of the new legislation include, but are not limited to, limiting deductibility of interest and executive compensation expense. These additional items have been considered in the income tax provision for the six months ended December 31, 2020 and 2019 and the impact was not material to the overall financial statements.

The provision for income taxes for the six months ended December 31, 2020 and 2019 consisted of the following:

	December 31, 2020	December 31, 2019
Income Tax Expense		
Current federal tax expense		
Federal	$ 357,351	$ 153,831
State	165,523	71,122
Deferred tax		
Federal	–	–
State	–	–
Total	$ 522,874	$ 224,953

Note 9 – Income taxes (Continued)

The Company is subject to U.S. federal income tax as well as income tax of state tax jurisdictions. The tax years 2018 and 2019 remain open to examination by the major taxing jurisdictions to which the Company is subject. The following is a reconciliation of income tax expenses at the effective rate to income tax at the calculated statutory rates:

	December 31, 2020	December 31, 2019
Statutory tax rate		
Federal	21.00%	21.00%
State of California	8.84%	8.84%
State of Nevada	0.00%	0.00%
Net effect of state income tax deduction and other permanent differences	(1.74%)	(1.80%)
Effective tax rate	28.10%	28.04%

As of December 31, 2020 and June 30, 2020, the income taxes payable was $1,243,054 and $721,211, respectively.

Note 10 – Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the periods presented:

	For the six months ended December 31,	
	2020	2019
Numerator:		
Net income	$ 1,337,472	$ 577,222
Denominator:		
Weighted-average shares used in computing basic and diluted earnings per share*	20,204,496	20,000,000
Earnings per share of ordinary shares: -basic and diluted	$ 0.066	$ 0.029

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. The computation of basic and diluted EPS was retroactively adjusted for all periods presented.

*On October 20, 2020, the Company issued to its founders 14,000,000 shares of Class B Common Stock, which shall be eligible to convert into Class A Common Stock, on a one-for-ten basis, at any time following twelve (12) months after the Company's completion of its initial public offering of its Class A Common Stock. The computation of basic and diluted EPS did not include the Class B Common Stock as the holders of Class B Common Stock have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock. See Note 16 for the status of Class B Common Stock.

* The computation of basic and diluted EPS did not include the Series A Convertible Preferred Stock as the conversion of the Series A Convertible Preferred Stock and participation in dividends with the Company's Common Stock is contingent on completion of an IPO.

Note 11 – Equity

The Company was incorporated in Nevada on April 11, 2018. As of the date of this report, the total authorized shares of capital stock were 200,000,000 shares consisting of 166,000,000 shares of Class A Common Stock ("Class A Common Stock"), and 20,000,000 shares of preferred stock (the "Preferred Stock"), each with a par value of $0.001 per share.

On November 16, 2020, the Company filed an amended and restated articles of incorporation in Nevada to consummate a 2-for-1 forward split of our outstanding shares of Class A Common Stock. All share numbers of Class A Common Stock are stated at post-split basis.

The holders of Class A Common Stock shall be entitled to one vote per share in voting or consenting to the election of directors and for all other corporate purposes. The Company issued 20,000,000 shares to its founders at inception.

On January 15, 2020, pursuant to a rescission and mutual release agreement with an unrelated company, the Company issued 204,496 shares of its Class A Common Stock as settlement payment of the $427,010 received.

As of December 31, 2020 and June 30, 2020, after giving effect to a 2-for-1 forward split of the outstanding shares of Class A Common Stock, there were 20,204,496 and 20,204,496 shares of Class A Common Stock issued and outstanding, respectively.

On October 20, 2020, the Company entered into stock purchase agreements with Chenlong Tan and Allan Huang (the "Founders") pursuant to which each of the Founders received 7,000,000 shares of the Company's Class B Common Stock, for a purchase price of $0.001 per share in cash. Based on the fact that other than the total consideration of $14,000 (total par value of the Class B Common Stock issued), the Founders did not provide additional services or other means of considerations for the issuance of these shares of Class B Common Stock, the issuance of the Class B Common Stock to the Founders was considered as a nominal issuance, in substance a recapitalization transaction. As such, in accordance with FASB ASC 260-10-55-12 and SAB Topic 4D, The Company recorded and presented the issuance retroactively as outstanding for all reporting periods.

The Class B Common Stock shall be entitled to ten (10) votes per share in voting or consenting to the election of directors and for all other corporate purposes. Class B Common Stock shall be eligible to convert into Class A Common Stock, on a ten-for-one basis, at any time following twelve (12) months after the Company's completion of the initial public offering of its Class A Common Stock. Holders of Class B Common Stock shall have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock. As of December 31, 2020 and June 30, 2020, the outstanding shares of Class B Common Stock were retroactively stated as 14,000,000 and 14,000,000, respectively. See Note 16 for status of the Class B Common Stock.

The Preferred Stock was authorized as "blank check" series of Preferred Stock, providing that the Board of Directors is expressly authorized, subject to limitations prescribed by law, by resolution or resolutions and by filing a certificate pursuant to the applicable law of the State of Nevada, to provide, out of the authorized but unissued shares of Preferred Stock, for series of Preferred Stock, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. See Note 12 below for details of Series A Convertible Preferred Stock issued on December 30, 2020.

Note 12 – Series A Convertible Preferred Stock

On December 30, 2020, the Company closed a private placement and issued a total of 34,500 shares of Series A Convertible Preferred Stock, par value $0.001 per share, to a total of three accredited investors, at a purchase price of $10.00 per share, for a total purchase price of $345,000 in cash. Pursuant to the certificate of designations, the Series A Convertible Preferred Stock will automatically convert into shares of the Class A Common Stock (the "Conversion Shares") at a conversion price equal to 70% of the initial price per share of the Class A Common Stock. If the IPO has not occurred by December 31, 2021, the Company will be obligated to redeem and repurchase for cash all of the outstanding shares of Series A Convertible Preferred Stock for a purchase price equal to (a) the product of multiplying the $10.00 Stated Value of each outstanding share of Series A Convertible Preferred Stock by the total number of outstanding shares of Series A Convertible Preferred Stock, plus (b) all accrued and unpaid Dividends at 9% per annum. In the event that the Series A Convertible Preferred Stock are converted into Conversion Shares, no Dividend shall accrue or be payable.

In connection with this private placement, the Company paid $27,600 in cash and issued warrants to purchase 2,415 shares of Series A Convertible Preferred Stock to Boustead Securities, LLC (the "Placement Agent") as compensation, which was recorded as financing expense. The exercise price of the warrants is $10 per share. The warrants were recorded as liability. See Note 11 above for details. As of the date of this filing, the Placement Agent had not exercised the warrants.

The redemption feature creates an obligation to the Company requiring it to redeem the Preferred Shares for cash on December 31, 2021, if an IPO does not occur. Upon an IPO, the Conversion Option is settleable with a variable number of the Company's shares resulting in a fixed monetary amount known at inception in accordance with ASC 480-10-25-14a. The Series A convertible preferred stock are mandatorily redeemable and should be classified as a liability in accordance with ASC 480-10 and the Company has elected to record the Series A Convertible Preferred Stock at fair value with changes in fair value recorded through earnings under the ASC 825-10-15-4 fair value option ("FVO") election.

Under the FVO election the financial instrument is initially measured at its issue-date estimated fair value and subsequently remeasured at estimated fair value on a recurring basis at each reporting period date. As of December 31, 2020, the fair value of the 34,500 shares of Series A Convertible Preferred Stock approximates $345,000, the cash paid by third party investors. This represents a Level 2 fair value measurement.

As of December 31, 2020 and June 30, 2020, the Company had 34,500 and 0 shares of Preferred Stock issued and outstanding.

Note 13 – Fair value measurements of warrant liabilities

The Company's preferred stock warrant liabilities contained unobservable inputs that reflected the Company's own assumptions in which there was little, if any, market activity for at the measurement date. Accordingly, the Company's warrant liabilities at December 31, 2020 were measured at fair value on a recurring basis using unobservable inputs and were classified as Level 3 measurements.

At December 31, 2020, the Company measured the preferred stock warrants to fair value using the Option Pricing Model ("OPM") model based on the fair value of the underlying stock with the following assumptions:

	As of December 31, 2020
Expected term	1 year
Expected volatility	86%
Risk-free interest rate	0.12%
Expected dividend rate	0%

As of December 31, 2020, the fair value of the preferred stock warrant liabilities was $8,047 and was recorded within other income (expenses).

Note 14 - Concentration of risk

Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

As of December 31, 2020 and June 30, 2020, $544,073 and $977,635, respectively, were deposited with various major financial institutions in the United States.

Accounts receivable are typically unsecured and derived from revenue earned from customers, thereby exposing the Company to credit risk. The risk is mitigated by the Company's assessment of its customers' creditworthiness and its ongoing monitoring of outstanding balances. The Company maintains reserves for estimated credit losses, and such losses have generally been within expectations.

Customer and vendor concentration risk

For the six months ended December 31, 2020 and 2019, Amazon Vendor and Amazon Seller customers accounted for 77% and 70% of the Company's total revenues, respectively. As of December 31, 2020 and June 30, 2020, accounts receivable from Amazon Vendor and Amazon Seller accounted for 89% and 95% of the Company's total accounts receivable.

For the six months ended December 31, 2020 and 2019, two suppliers accounted for 33% (22% and 11%) and 31% (20% and 11%) of the Company's total purchases, respectively. As of December 31, 2020, accounts payable to two suppliers accounted for 44% and 21% of the Company's total accounts payable. As of June 30, 2020, accounts payable to three suppliers accounted for 26%, 13% and 12%, respectively, of the Company's total accounts payable.

Note 15 - Commitments and contingencies

Lease commitment

The Company has adopted ASC842 since its inception date, April 11, 2018. The Company has entered into a lease agreement for office and warehouse space with a lease period from December 1, 2018 until December 31, 2020. On August 24, 2020, the Company negotiated for new terms to extend the lease. The lease term is amended and extended through December 31, 2023.

On September 1, 2020, in addition to the primary fulfillment center, the Company leased a second fulfillment center in City of Industry, California. The base rental fee is $27,921 to $29,910 per month through October 31, 2023.

Total commitment for the full term of these leases is $2,346,200. $2,152,427 and $262,875 of operating lease right-of-use assets and $2,179,994 and $262,875 of operating lease liabilities were reflected on the December 31, 2020 and June 30, 2020 financial statements, respectively.

Six Months Ended December 31, 2020 and 2019:

Lease cost	12/31/2020	12/31/2019
Operating lease cost (included in G&A in the Company's statement of operations)	$ 369,959	$ 264,093
Other information		
Cash paid for amounts included in the measurement of lease liabilities	342,392	261,020
Remaining term in years	2.75	1.00
Average discount rate - operating leases	8%	8%

The supplemental balance sheet information related to leases for the period is as follows:

Operating leases	12/31/2020	6/30/2020
Right of use asset - non current	2,152,427	262,875
Lease Liability - current	635,946	262,875
Lease Liability - non current	1,544,048	–
Total operating lease liabilities	$ 2,179,994	$ 262,875

Maturities of the Company’s lease liabilities are as follows:

	Operating Lease
For the period from January 1, 2021 to June 30, 2021	$ 356,525
For Year ending June 30:	
2022	848,822
2023	860,893
2024	341,729
Less: Imputed interest/present value discount	(227,975)
Present value of lease liabilities	$ 2,179,994

Note 15 - Commitments and contingencies (Continued)

Contingencies

Except as disclosed in Note 16 below, the Company is not currently a party to any material legal proceedings, investigation or claims. However, the Company may, from time to time, be involved in legal matters arising in the ordinary course of its business. While the Company is not presently subject to any material legal proceedings, there can be no assurance that such matters will not arise in the future or that any such matters in which the Company is involved, or which may arise in the ordinary course of the Company's business, will not at some point proceed to litigation or that such litigation will not have a material adverse effect on the business, financial condition or results of operations of the Company.

In an effort to contain or slow the COVID-19 outbreak, authorities across the world have implemented various measures, some of which have been subsequently rescinded or modified, including travel bans, stay-at-home orders and shutdowns of certain businesses. The Company anticipates that these actions and the global health crisis caused by the COVID-19 outbreak, including any resurgences, will continue to negatively impact global economic activity. While the COVID-19 outbreak has not had a material adverse impact on the Company's operations to date, it is difficult to predict all of the positive or negative impacts the COVID-10 outbreak will have on the Company's business.

Note 16 - Subsequent events

Convertible Notes

On January 27, 2021, the Company completed a private placement offering pursuant to which the Company sold to two accredited investors an aggregate of $3,000,000 in convertible notes with a 6% interest per annum and three-year warrants to purchase shares of Class A Common Stock equaling 80% of the number of shares of Class A Common Stock issuable upon conversion of the Convertible Notes. The Convertible Notes shall be automatically converted into the Company's Class A Common Stock upon a qualified event or repayable in cash at the option of the holders of the Convertible Notes with repayment to commence six months after January 27, 2021. The Convertible Notes convert at a price equal to the lesser of (a) a price representing a 30% discount to the public offering price per share of the Class A Common Stock in this Offering, or (b) a price representing a 30% discount to the price per share equal to dividing $200 million by the total number of (x) outstanding shares of Class A Common Stock immediately prior to the IPO, (y) the number of Class A Common Stock issuable upon conversion of the 34,500 shares of Series A Preferred Stock, and (z) the number of Class A Common Stock issuable upon conversion of all outstanding Convertible Notes. Any interest accrued on the Convertible Note will be waived upon conversion.

Upon closing of the private placement, the Company paid $120,000 in cash and issued warrants to purchase 7% of the shares of Class A Common Stock underlying the Convertible Note as placement agent compensation.

PPP Note

On March 22, 2021, the $175,500 PPP Note due to Royal Business Bank was fully forgiven.

Conversion of Class B Common Stock and Reclassification of Common Stock.

Effective April 14, 2021, the Company amended its Articles of Incorporation to allow conversion of its Class B Common Stock at any time after issuance. On the same date, the Class B Common stockholders, Chenlong Tan and Allan Huang, elected to convert all their 14,000,000 outstanding shares of the Company's Class B Common Stock into 1,400,000 shares of Class A Common Stock. On April 23, 2021, the Company amended and restated its articles of incorporation to eliminate the Class A and Class B Common Stock and authorized for issuance 180,000,000 shares which are solely designated as Common Stock.

Agreement with Boustead Securities LLC

Pursuant to an engagement agreement, dated and effective August 31, 2020 (the "Engagement Agreement"), with Boustead Securities LLC ("Boustead"), the Company engaged Boustead to act as its exclusive placement agent for private placements of its securities and as a potential underwriter for its initial public offering. On February 28, 2021 the Company informed Boustead that it was terminating the Engagement Agreement and any continuing obligations the Company may have had under its terms. On April 15, 2021, the Company provided formal written notice to Boustead of its termination of the Engagement Agreement and all obligations thereunder, effective immediately. On April 30, 2021, Boustead filed a statement of claim with the Financial Institute Regulatory Authority, or FINRA, demanding to arbitrate the dispute, and is seeking, among other things, monetary damages against the Company and D.A. Davidson & Co. The Company has agreed to indemnify D.A. Davidson & Co. and the other underwriters against any liability or expense they may incur or be subject to arising out of the Boustead dispute. Additionally, Chenlong Tan, the Company's Chairman, President and Chief Executive Officer and a beneficial owner more than 5% of its common stock, has agreed to reimburse the Company for any judgments, fines and amounts paid or actually incurred by the Company or an indemnitee in connection with such legal action or in connection with any settlement agreement entered into by the Company or an indemnitee up to a maximum of $3.5 million in the aggregate, with the sole source of funding of such reimbursement to come from sales of shares then owned by Mr. Tan.

UHY LLP
Certified Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of iPower Inc. (f/k/a BZRTH, Inc.)

Opinion on the Financial Statements

We have audited the accompanying consolidated and combined balance sheets of iPower Inc. (f/k/a BZRTH, Inc.) (the "Company") as of June 30, 2020 and 2019, and the related consolidated and combined statements of operations, changes in stockholders' equity, and cash flows for the two years then ended and the related notes (collectively referred to as the consolidated and combined financial statements). In our opinion, the consolidated and combined financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2020 and 2019, and the results of their operations and their cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated and combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated and combined financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated and combined 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 consolidated and combined 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 consolidated and combined 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 consolidated and combined financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of Matter

As described in Note 3 to the consolidated and combined financial statements, the Company acquired assets and assumed liabilities from a related party on December 1, 2018, which was accounted for as a transaction between entities under common control, the effects of which have been retrospectively applied to the accompanying consolidated and combined financial statements from July 1, 2018. Our opinion is not modified with respect to this matter.

/s/ UHY LLP

We have served as the Company's auditor since 2020.

New York, New York

November 23, 2020, except for Notes 4, 11, 12 and 15 as to which the date is January 11, 2021; and Notes 8 and 15 as to which the date is February 1, 2021.

iPower Inc.
Consolidated and Combined Balance Sheets
As of June 30, 2020 and 2019

	As of June 30,	
	2020	2019
ASSETS		
Current assets		
Cash and cash equivalent	$ 977,635	$ 471,458
Accounts receivable	6,067,199	3,635,912
Inventories, net	5,743,181	3,118,507
Prepayments and other current assets	616,231	453,135
Total current assets	13,404,246	7,679,012
Right of use - non current	262,875	750,337
Property and equipment, net	6,252	–
Total assets	$ 13,673,373	$ 8,429,349
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	$ 4,220,347	$ 2,255,924
Credit cards payable	892,792	715,540
Customer deposit	741,301	420,180
Due to related parties	133,793	2,769,308
Other payables and accrued liabilities	1,940,858	588,231
Short-term loans payable	1,329,680	217,789
Lease liability - current	262,875	487,462
Income taxes payable	721,211	195,496
Total current liabilities	10,242,857	7,649,930
Non current liabilities		
Long-term loan payable	500,000	–
Lease liability - non current	–	262,875
Total non current liabilities	500,000	262,875
Total liabilities	10,742,857	7,912,805
Commitments and contingency	–	–
Stockholders' Equity		
Preferred stock, $0.001 par value; 20,000,000 shares authorized; 0 share issued and outstanding at June 30, 2020 and 2019	–	–
Class A Common Stock, $0.001 par value; 166,000,000 shares authorized; 20,204,496 and 20,000,000 shares issued and outstanding at June 30, 2020 and 2019 *	20,204	20,000
Class B Common Stock, $0.001 par value; 14,000,000 shares authorized; 14,000,000 shares issued and outstanding at June 30, 2020 and 2019 *	14,000	14,000
Subscription receivable	(14,000)	(14,000)
Additional paid in capital	389,490	(37,316)
Retained earnings	2,520,822	533,860
Total equity	2,930,516	516,544
Total liabilities and equity	$ 13,673,373	$ 8,429,349

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. Except shares authorized, all references to number of shares, and to per share information in the consolidated and combined financial statements have been retroactively adjusted.

*On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods.

The accompanying notes are an integral part of these consolidated and combined financial statements.

iPower Inc.
Consolidated and Combined Statements of Operations
For the Years Ended June 30, 2020 and 2019

	For the Years Ended June 30,	
	2020	2019
REVENUES	$ 39,938,472	$ 22,842,765
TOTAL REVENUES	39,938,472	22,842,765
COST OF REVENUES	24,810,907	14,967,248
GROSS PROFIT	15,127,565	7,875,517
OPERATING EXPENSES:		
Selling	7,593,505	4,563,698
General and administrative	4,626,111	2,477,146
Total operating expenses	12,219,616	7,040,844
INCOME FROM OPERATIONS	2,907,949	834,673
OTHER INCOME (EXPENSE)		
Interest income (expenses)	(168,283)	(109,834)
Other non-operating income (expense)	20,734	(945)
Total other income (expense), net	(147,549)	(110,779)
INCOME BEFORE INCOME TAXES	2,760,400	723,894
PROVISION FOR INCOME TAXES	773,438	195,496
NET INCOME	$ 1,986,962	$ 528,398
WEIGHTED AVERAGE NUMBER OF Class A Common Stock*		
Basic and diluted	20,093,004	20,000,000
EARNINGS PER SHARE *		
Basic and diluted	$ 0.10	$ 0.03

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. The computation of basic and diluted EPS was retroactively adjusted for all periods presented.

*On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods. The computation of basic and diluted EPS did not include the Class B Common Stock as the holders of Class B Common Stock have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock.

The accompanying notes are an integral part of these consolidated and combined financial statements.

iPower Inc.
Consolidated and Combined Statements of Changes in Stockholders' Equity
For the Years ended June 30, 2020 and 2019

	Class A Common Stock*		Class B Common Stock*		Subscription	Additional Paid in	Retained	
	Shares	Amount	Capital	Amount	Receivable	Capital	Earnings	Total
Balance, July 1, 2018	20,000,000	$ 20,000	14,000,000	$ 14,000	$ (14,000)	$ (10,000)	$ 5,462	$ 15,462
Distribution to shareholders (Note 3)						(27,316)	–	(27,316)
Net income	–	–	–	–	–	–	528,398	528,398
Balance, June 30, 2019	20,000,000	20,000	14,000,000	14,000	(14,000)	(37,316)	533,860	516,544
Shares issued for cash	204,496	204	–	–	–	426,806	–	427,010
Net income	–	–	–	–	–	–	1,986,962	1,986,962
Balance, June 30, 2020	20,204,496	$ 20,204	14,000,000	$ 14,000	$ (14,000)	$ 389,490	$ 2,520,822	$ 2,930,516

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. Except shares authorized, all references to number of shares, and to per share information in the consolidated and combined financial statements have been retroactively adjusted.

*On October 20, 2020, the Company issued to its Founders 14,000,000 shares of the Company's Class B Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods.

The accompanying notes are an integral part of these consolidated and combined financial statements.

iPower Inc.
Consolidated and Combined Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	For the Years Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,986,962	$ 528,398
Adjustments to reconcile net income to cash provided by operating activities:		
Inventory obsolescence reserve	95,574	–
Change in operating assets and liabilities		
Accounts receivable	(2,431,287)	(3,373,285)
Inventories	(2,720,248)	(21,436)
Prepayments and other current assets	(163,096)	(453,135)
Accounts payable	1,964,423	2,124,579
Credit cards payable	177,252	715,540
Customer deposit	321,121	420,180
Other payables and accrued liabilities	1,352,627	570,562
Income taxes payable	525,715	195,496
Net cash provided by operating activities	1,109,043	706,899
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(6,252)	–
Net cash (used in) investing activities	(6,252)	–
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from related parties	632,286	1,745,012
Payments to related parties	(3,267,801)	(2,198,342)
Proceeds from short-term loans	19,003,538	217,789
Payments on short-term loans	(17,891,647)	–
Proceeds from Long-term loan	500,000	–
Issuance of shares	427,010	–
Net cash (used in) provided by financing activities	(596,614)	(235,541)
CHANGES IN CASH	506,177	471,358
CASH AND CASH EQUIVALENT, beginning of year	471,458	100
CASH AND CASH EQUIVALENT, end of year	$ 977,635	$ 471,458
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income tax	$ 247,723	$ –
Cash paid for interest	$ 56,948	$ –
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS:		
Difference of net assets purchased and consideration charged against additional paid in capital	$ –	$ (27,316)

The accompanying notes are an integral part of these consolidated and combined financial statements.

Note 1 - Nature of business and organization

iPower Inc., formerly known as BZRTH Inc. (the "Company"), a Nevada corporation incorporated on April 11, 2018, is principally engaged in the marketing and sale of advanced indoor and greenhouse lighting, ventilation systems, nutrients, growing media, grow tents, trimming machines, pumps and accessories in the United States.

Effective on March 1, 2020, as amended and restated pursuant to an agreement dated October 26, 2020, the Company entered into an agreement with E Marketing Solution Inc. ("E Marketing"), an entity incorporated in California and owned by one of the shareholders of the Company. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to E Marketing's business during the term of the agreement. The Company agrees to fund E Marketing for operational cash flow needs and bear the risk of E Marketing's losses from operations and E Marketing agrees that iPower has rights to E Marketing's net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of E Marketing or its assets subject to assumption of all of its liabilities. E Marketing is determined as a variable interest entity ("VIE"). See Note 2 and Note 4 below for details.

Note 2 – Basis of Presentation and Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared in accordance with the generally accepted accounting principles in the United States of America ("U.S. GAAP") and pursuant to the rules and regulations of the Securities Exchange Commission ("SEC"). The Company's fiscal year end date is June 30.

Principles of Consolidation

The consolidated and combined financial statements include the accounts of the Company and its VIE, E Marketing Solution Inc. All inter-company balances and transactions have been eliminated.

Use of estimates and assumptions

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities reported and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates.

Variable interest entity

The Company entered into an agreement with E Marketing Solution Inc. ("E Marketing"), an entity incorporated in California and owned by one of the shareholders of the Company. The Company does not have direct ownership in E Marketing but has been actively involved in E Marketing's operations and has the power to direct the activities and significantly impact E Marketing's economic performance. The Company also bears all the risk of losses and has the right to receive all of the benefits from E Marketing. As such, in accordance with ASC 810-10-25-38A through 25-38J, E Marketing is considered a variable interest entity ("VIE") of the Company and the financial statements of E Marketing were consolidated from the date of control existed.

Note 2 - Basis of presentation and summary of significant accounting policies (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of amounts held as cash on hand and bank deposits.

From time to time, the Company may maintain bank balances in interest bearing accounts in excess of the $250,000 currently insured by the Federal Deposit Insurance Corporation for interest bearing accounts (there is currently no insurance limit for deposits in noninterest bearing accounts). The Company has not experienced any losses with respect to cash. Management believes our Company is not exposed to any significant credit risk with respect to its cash.

Accounts receivable

During the ordinary course of business, the Company extends unsecured credit to its customers. Accounts receivable are stated at the amount the Company expects to collect from customers. Management reviews its accounts receivable balances each reporting period to determine if an allowance for doubtful accounts is required. An allowance for doubtful accounts is recorded in the period in which loss is determined to be probable based on assessment of specific evidence indicating likelihood of collection, historical experience, account balance aging and prevailing economic conditions. Bad debts are written off against the allowance after all collection efforts have ceased.

Property and equipment

Property and equipment are stated at historical cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method over the useful lives of the assets are as follows:

	Useful Life
Office equipment and furniture	3-5 years

The cost and related accumulated depreciation of assets sold or otherwise retired are eliminated from the accounts and any gain or loss is included in the consolidated and combined statements of operations. Expenditures for maintenance and repairs are charged to earnings as incurred, while additions, renewals and betterments, which are expected to extend the useful life of assets, are capitalized.

Fair value measurement

The Company adopted ASC Topic 820, *Fair Value Measurements and Disclosures* which defines fair value, establishes a framework for measuring fair value and expands financial statement disclosure requirements for fair value measurements.

Note 2 - Basis of presentation and summary of significant accounting policies (Continued)

Fair value measurement (Continued)

ASC Topic 820 defines fair value as the price that would be received from the sale of an asset or paid to transfer a liability (an exit price) on the measurement date in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. ASC Topic 820 specifies a hierarchy of valuation techniques, which is based on whether the inputs into the valuation technique are observable or unobservable. The hierarchy is as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value. Unobservable inputs are valuation technique inputs that reflect the Company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

When available, the Company uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Company measures fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates. As of June 30, 2020 and 2019, there are no assets or liabilities that are measured and reported at fair value on a recurring basis.

Fair values of financial instruments

Financial instruments include cash and cash equivalents, accounts receivable, prepayments and other current assets, other payable and accrued liabilities, due to related party, and taxes payable. The Company considers the carrying amount of short-term financial instrument to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization.

Revenue recognition

The Company has adopted Accounting Standards Codification ("ASC") 606 since its inception on April 11, 2018 and recognizes revenue from product sales revenues, net of promotional discounts and return allowances, when the following revenue recognition criteria are met: a contract has been identified, separate performance obligations are identified, the transaction price is determined, the transaction price is allocated to separate performance obligations and revenue is recognized upon satisfying each performance obligation. The Company transfers the risk of loss or damage upon shipment, therefore, revenue from product sales is recognized when it is shipped to the customer. Return allowances, which reduce product revenue by the Company's best estimate of expected product returns, are estimated using historical experience.

The Company evaluates the criteria of ASC 606 - Revenue Recognition Principal Agent Considerations in determining whether it is appropriate to record the gross amount of product sales and related costs or the net amount earned as commissions. Generally, when the Company is primarily responsible for fulfilling the promise to provide a specified good or service, the Company is subject to inventory risk before the good or service has been transferred to a customer and the Company has discretion in establishing the price, revenue is recorded at gross.

Payments received prior to the delivery of goods to customers are recorded as customer deposits.

The Company periodically provides incentive offers to its customers to encourage purchases. Such offers include current discount offers, such as percentage discounts off current purchases and other similar offers. Current discount offers, when accepted by the Company's customers, are treated as a reduction to the purchase price of the related transaction.

Sales discounts are recorded in the period in which the related sale is recognized. Sales return allowances are estimated based on historical amounts and are recorded upon recognizing the related sales. Shipping and handling costs are recorded as selling expenses.

Note 2 - Basis of presentation and summary of significant accounting policies (Continued)

Cost of revenue

Cost of revenue mainly consist of costs for purchases of products and related inbound freight and delivery fees.

Inventory

Inventory consists of finished goods ready for sale and is stated at the lower of cost or market. The Company values its inventory using the weighted average costing method. The Company's policy is to include as a part of cost of goods sold any freight incurred to ship the product from its vendors to warehouses. Outbound freight costs related to shipping costs to customers are considered periodic costs and are reflected in selling, general and administrative expenses. The Company regularly reviews inventory and considers forecasts of future demand, market conditions and product obsolescence.

If the estimated realizable value of the inventory is less than cost, the Company makes provisions in order to reduce its carrying value to its estimated market value. The Company also reviews inventory for slow moving inventory and obsolescence and records allowance for obsolescence.

Segment reporting

The Company follows ASC 280, Segment Reporting. The Company's chief operating decision maker, the Chief Executive Officer, reviews the consolidated and combined results of operations when making decisions about allocating resources and assessing the performance of the Company as a whole and hence, the Company has only one reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. The Company's long-lived assets are all located in California, United States, and substantially all of the Company's revenues are derived from within the USA. Therefore, no geographical segments are presented.

Business Combination Under Common Control

On December 1, 2018, the Company acquired substantially all of the business assets and assumed certain liabilities from BizRight, LLC ("BizRight") in exchange for total consideration of $2,611,594. BizRight and the Company were both under the same ownership and management from inception, April 11, 2018. Under ASC 805-50, which addresses business combinations, the transaction was accounted for as a transaction under common control. The Company recorded the purchase of assets from BizRight at their historical carrying amounts as if the transfer had occurred at the beginning of the period and the results of operations comprises both those of BizRight and iPower from the beginning of the period to the date of the transfer is completed. The difference between any considerations transferred and the carrying amounts of the net assets acquired was recognized as an equity distribution to the Shareholders.

Leases

On its inception date, April 11, 2018, the Company adopted ASC 842 – Leases ("ASC 842"), which requires lessees to record right-of-use ("ROU") assets and related lease obligations on the balance sheet, as well as disclose key information regarding leasing arrangements.

ROU assets represent our right to use an underlying asset for the lease terms and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Company's leases do not provide an implicit rate, the Company generally uses its incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Note 2 - Basis of presentation and summary of significant accounting policies (Continued)

Income taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their perspective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the 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 includes the enactment date. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

As a result of the implementation of certain provisions of ASC 740, Income Taxes ("ASC 740"), which clarifies the accounting and disclosure for uncertainty in tax position, as defined, ASC 740 seeks to reduce the diversity in practice associated with certain aspects of the recognition and measurement related to accounting for income taxes. The Company has adopted the provisions of ASC 740 since inception, April 11, 2018, and has analyzed filing positions in each of the federal and state jurisdictions where the Company is required to file income tax returns, as well as open tax years in such jurisdictions. The Company has identified the U.S. federal jurisdiction, and the states of Nevada and California, as its "major" tax jurisdictions. However, the Company has certain tax attribute carryforwards, which will remain subject to review and adjustment by the relevant tax authorities until the statute of limitations closes with respect to the year in which such attributes are utilized.

The Company believes that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to its financial position. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to ASC 740. The Company's policy for recording interest and penalties associated with income-based tax audits is to record such items as a component of income taxes.

Commitments and Contingencies

In the ordinary course of business, the Company is subject to certain contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss has occurred and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments including historical and specific facts and circumstances of each matter.

Earnings per share

Basic earnings per share are computed by dividing net income attributable to holders of common stock by the weighted average number of common stock outstanding during the year. Diluted earnings per share reflect the potential dilution that could occur if securities to issue common stock were exercised.

Note 2 - Basis of presentation and summary of significant accounting policies (Continued)

Recently issued accounting pronouncements

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740) – Simplifying the Accounting for Income Taxes. The update is intended to simplify the current rules regarding the accounting for income taxes and addresses several technical topics including accounting for franchise taxes, allocating income taxes between a loss in continuing operations and in other categories such as discontinued operations, reporting income taxes for legal entities that are not subject to income taxes, and interim accounting for enacted changes in tax laws. The new standard is effective for fiscal years beginning after December 15, 2020; however, early adoption is permitted. The Company does not expect the adoption of this standard have a material impact on the consolidated and combined financial statements.

In August 2018, the FASB Accounting Standards Board issued ASU No. 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 modifies the disclosure requirements on fair value measurements. ASU 2018-13 is effective for public entities for fiscal years beginning after December 15, 2019, with early adoption permitted for any removed or modified disclosures. The removed and modified disclosures will be adopted on a retrospective basis and the new disclosures will be adopted on a prospective basis. The Company does not expect this guidance will have a material impact on its consolidated and combined financial statements.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. The standard will replace the "incurred loss" approach with an "expected loss" model for instruments measured at amortized cost. For available-for-sale debt securities, entities will be required to record allowances rather than reduce the carrying amount, as they do today under the other-than-temporary impairment model. The amendments in ASU 2016-13 are effective for SEC filers for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019 (i.e., January 1, 2020, for calendar year entities). For public companies that are not SEC filers, the ASU is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. For all other organizations, the ASU on credit losses will take effect for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. The Company is in the process of evaluating the impact of adoption of this guidance on its consolidated and combined financial statements.

The Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated and combined financial position, statements of operations and cash flows.

Subsequent event

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the date that the consolidated combined financial statements are available to be issued. Material subsequent events that required recognition or additional disclosure in the consolidated and combined financial statements are presented.

Note 3 – Asset acquired from entity under common control

On December 1, 2018, the Company acquired substantially all of the business assets and assumed certain liabilities from BizRight, LLC ("BizRight") in exchange for total consideration of $2,611,594. BizRight and the Company were both under the same ownership and management from inception. Under Accounting Standard Codification ("ASC") 805-50, the transaction was accounted for as a transaction under common control. The Company recorded the assets acquired and liabilities assumed from BizRight at their historical carrying amounts as if the transfer had occurred at the beginning of the period and the results of operations comprises both BizRight's and iPower's from the beginning of the period to the date of the transfer is completed. Stated below are the net assets transferred at December 1, 2018 and results of operations of BizRight for the period from July 1, 2018 to November 30, 2018:

	As of December 1, 2018
Assets Purchased	
Inventories	$ 2,739,899
Prepaid inventories (advance to suppliers)	123,585
Accounts receivable	1,215,150
Other receivables	172,992
Total assets purchased	4,251,626
Liabilities Assumed	
Accounts payable	1,276,983
Customer deposits	117,518
Other payables and accrued liabilities	245,531
Total liabilities assumed	1,640,032
Net Assets Transferred/ Purchase Price	$ 2,611,594
Results of Operations From July 1, 2018 to November 30, 2018:	
Revenues	$ 4,835,561
Costs of goods sold	(3,097,071)
Selling, general and administrative expenses	(1,711,174)
Net income	$ 27,316

The results of operations of BizRight for the five months ended November 30, 2018 were combined in the Company's statements of operations and the net income, the difference between the consideration and net assets received, of $27,316 was recognized as a distribution to shareholders under additional paid in capital within the statement of shareholders' equity. The net assets received were recorded at their historical carrying amounts and the purchase price of $2,611,594 was recorded as payable due to related parties. Under the terms of the purchase agreement between the Company and BizRight, the Purchase Price shall be paid based on the Company's cash flow availability and bears an interest rate of 8% per annum on the outstanding amount. See Note 9 for details.

Note 4 – Variable interest entity

Effective on March 1, 2020, as amended and restated pursuant to an agreement dated Oct 26, 2020, the Company entered into an agreement with E Marketing Solution Inc. (“E Marketing”), an entity incorporated in California and owned by one of the shareholders of the Company. Pursuant to the terms of the agreement, the Company provides technical support, management services and other services on an exclusive basis in relation to E Marketing’s business during the term of the agreement. The Company agrees to fund E Marketing for operational cash flow needs and bear the risk of E Marketing’s losses from operations and E Marketing agrees that iPower has rights to E Marketing’s net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of E Marketing or its assets subject to assumption of all of its liabilities. As of June 30, 2020, the Company had paid $20,600 to fund all of E Marketing’s operations under this agreement.

Summary of Key Terms of the Exclusive Business Cooperation Agreements with E Marketing (“VIE"):

- iPower is the exclusive manager of the VIE;
- the VIE shall not directly or indirectly accepts same or similar services from other parties;
- the Agreements shall remain effective unless terminated by iPower;
- iPower is granted an irrevocable and exclusive option to purchase all assets and business at nominal price; and
- iPower agrees to fund VIE’s operational needs and bear the risk of VIE’s losses from operations and VIE agrees that iPower has rights to VIE’s net profits, if any.

Pursuant to the terms of the Agreement, the Company does not have direct ownership in E Marketing but has been actively involved in E Marketing’s operations, acting as the sole management of E Marketing to direct the activities and significantly impact E Marketing’s economic performance. The Company also provides all the funding to E Marketing and bears all risks of loss and has the right to receive all of the benefits from E Marketing. As such, based on the determination that the Company is the primary beneficiary of E Marketing, in accordance with ASC 810-10-25-38A through 25-38J, E Marketing is considered a variable interest entity (“VIE”) of the Company and the financial statements of E Marketing were consolidated from March 1, 2020.

The Company did not provide financial or other support to the VIE for the periods presented that the Company was not previously contractually required to provide.

As of June 30, 2020 and 2019, there were no pledge or collateralization of the VIE’s assets that can only be used to settle obligations of the VIE. The VIE did not have any liabilities due to third parties.

The carrying amount of the VIE’s assets and liabilities are as follows for the period indicated:

		June 30, 2020
Total assets – cash in bank	$	72,686
Total liabilities – payable to iPower	$	72,686

The cash of $72,686 was included in Cash on the consolidated and combined balance sheet as of June 30, 2020 and the payable to iPower was eliminated in consolidation.

Note 4 – Variable interest entity (Continued)

The operating results of the VIE are as follows for the year indicated:

	2020
Revenue	$ –
Net (loss)	$ (20,600)

Note 5 - Accounts receivable

Accounts receivable consisted of the following as of the date indicated:

	June 30, 2020	June 30, 2019
Accounts receivable	$ 6,067,199	$ 3,635,912
Less: allowance for doubtful accounts	–	–
Total accounts receivable	$ 6,067,199	$ 3,635,912

Bad debt expenses were $0 for the years ended June 30, 2020 and 2019, respectively.

Note 6 – Inventories

As of June 30, 2020 and 2019, inventories consisted of finished goods ready for sale, net of allowance for obsolescence, amounted to $5,743,181 and $3,118,507, respectively.

As of June 30, 2020 and 2019, allowance for obsolescence was $95,574 and $0, respectively.

Note 7 – Prepayments and other current assets

As of June 30, 2020 and 2019, prepayments and other current assets consisted of the followings:

	June 30, 2020	June 30, 2019
Advance to suppliers	$ 298,841	$ 81,487
Prepaid expenses and Other receivables	317,390	371,648
Total	$ 616,231	$ 453,135

Other receivables consisted of delivery fees of $132,433 and $115,608 receivable from two unrelated parties for their use of the Company’s courier accounts at June 30, 2020 and 2019. As of the date of this report, the amount had been fully collected.

Note 8 – Loans payable

Short-term loans

PPP note payable

On April 13, 2020, the Company entered into an agreement with Royal Business Bank (the “Lender”) for a total amount of $175,500, pursuant to a promissory note issued by the Company to the Lender (the “PPP Note”). The loan was made pursuant to the Payroll Protection Program established as part of the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). The PPP Note bears interest at the rate of 1.00% per annum and may be repaid at any time without penalty. The PPP Note contains customary events of default relating to, among other things, payment defaults, breach of representations and warranties, or provisions of the promissory note. The occurrence of an event of default may result in a claim for the immediate repayment of all amounts outstanding under the PPP Note.

The Company accounts for the PPP loan under Topic 470 as follows: (a) Initially record the cash inflow from the PPP Note as a financial liability and accrue interest in accordance with the interest method under ASC Subtopic 835-30; (b) Not impute additional interest at a market rate; (c) Continue to record the proceeds from the loan as a liability until either (1) the loan is partly or wholly forgiven and the debtor has been legally released by the Lender or (2) the debtor pays off the loan; (d) Reduce the liability by the amount forgiven and record a gain on extinguishment once the loan is partly or wholly forgiven and legal release is received. As of June 30, 2020, the Company had an outstanding balance of $175,500 under the PPP Note. As of the date of this report, the PPP Note had not been forgiven.

Revolving credit facility

On May 3, 2019, the Company entered into an agreement with WFC Fund LLC (“WFC") for a revolving loan of up to $2,000,000. The revolving loan bears an interest of prime rate plus 4.25% per annum on the outstanding amount. On May 26, 2020, the Loan and Security Agreement was amended as a Receivable Purchase Agreement. The credit limit of the revolving facility was $2,000,000, which bears a discount rate of prime rate plus 4.25% per annum on the outstanding amount. This revolving credit facility is secured by all of the Company’s assets and guaranteed by Allan Huang, a director and one of the Company’s major shareholders and founders. Pursuant to the agreement, the purchases of accounts receivable are with full recourse to the Company and the Company is obligated to collect the accounts receivables and to repurchase or pay back the amount drawn if the accounts receivable is not collected. In accordance with ASC 860-10-05, the revolving credit facility under the Receivable Purchase Agreement is treated as secured borrowing.

As of June 30, 2020 and 2019, the outstanding balance due was $1,154,180 and $217,789, respectively.

Long-term loan

SBA loan payable

On April 18, 2020, the Company entered into an agreement with the U.S. Small Business Administration (“SBA”) for a loan of $500,000 under Section 7(b) of the Small Business Act. This promissory note (the “SBA Note”) bears interest at the rate of 3.75% per annum and matures 30 years from the date of the SBA Note. Monthly Installment payments, including principal and interest, will begin twelve months from the date of the SBA Note. As of June 30, 2020, the outstanding balance of the SBA Note was $500,000.

Note 9 - Related party transactions

As disclosed in Note 3 above, on December 1, 2018, the Company acquired certain assets and assumed liabilities from BizRight, LLC, an entity owned and managed by the founders and officers of the Company. The net assets received were recorded at their historical carrying amounts and the purchase price of $2,611,594 was recorded as payable due to related parties. The purchase price shall be paid based on the Company's cash flow availability and bears an interest rate of 8% per annum on the outstanding amount. Related interest expense recorded for the years ended June 30, 2020 and 2019 was $103,901 and $109,834, respectively. During the years ended June 30, 2020 and 2019, the Company recorded proceeds of $632,286 and $1,745,012 and payments of $3,267,801 and $2,198,342, respectively, to related parties. As of June 30, 2020 and 2019, the outstanding amount due to related parties was $133,793 and $2,769,308, respectively.

Note 10 – Income taxes

On December 22, 2017, the U.S. President signed into law H.R.1, formerly known as the Tax Cuts and Jobs Act (the "Tax Legislation"). The Tax Legislation significantly revised the U.S. tax code by, (i) lowering the U.S federal statutory income tax rate from 35% to 21%, (ii) implementing a territorial tax system, (iii) imposing a one-time transition tax on deemed repatriated earnings of foreign subsidiaries, (iv) requiring a current inclusion of global intangible low taxed income of certain earnings of controlled foreign corporations in U.S. federal taxable income, (v) creating the base erosion anti-abuse tax regime, (vi) implementing bonus depreciation that will allow for full expensing of qualified property, and (vii) limiting deductibility of interest and executive compensation expense, among other changes. The Company did not record deferred tax assets or liabilities as the temporary and permanent differences were immaterial. The Company has computed its tax expenses using the new statutory rate effective on January 1, 2018 of 21%.

Other provisions of the new legislation include, but are not limited to, limiting deductibility of interest and executive compensation expense. These additional items have been considered in the income tax provision for the year ended June 30, 2020 and 2019 and the impact was not material to the overall financial statements.

The provision for income taxes for the years ended June 30, 2020 and 2019 consisted of the following:

	June 30, 2020	June 30, 2019
Income Tax Expense		
Current federal tax expense		
Federal	$ 530,036	$ 133,832
State	243,402	61,664
Deferred tax		
Federal	–	–
State	–	–
Total	$ 773,438	$ 195,496

Note 10 – Income taxes (Continued)

The Company is subject to U.S. federal income tax as well as income tax of state tax jurisdictions. The tax years 2018 and 2019 remain open to examination by the major taxing jurisdictions to which the Company is subject. The following is a reconciliation of income tax expenses at the effective rate to income tax at the calculated statutory rates:

	June 30, 2020	June 30, 2019
Statutory tax rate		
Federal	21.00%	21.00%
State of California	8.84%	8.84%
State of Nevada	0.00%	0.00%
Net effect of state income tax deduction and other permanent differences	(1.82%)	(2.83%)
Effective tax rate	28.02%	27.01%

As of June 30, 2020 and 2019, the income taxes payable was $721,211 and $195,496, respectively.

Note 11 – Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the periods presented:

	For the year ended June 30,	
	2020	2019
Numerator:		
Net income	$ 1,986,962	$ 528,398
Denominator:		
Weighted-average shares used in computing basic and diluted earnings per share*	20,093,004	20,000,000
Earnings per share of ordinary shares: - basic and diluted	$ 0.10	$ 0.03

*On November 16, 2020, the Company implemented a 2-for-1 forward split of the issued and outstanding shares of Class A Common Stock of the Company. The computation of basic and diluted EPS was retroactively adjusted for all periods presented.

* On October 20, 2020, the Company issued to its founders 14,000,000 shares of Class B Common Stock, which shall be eligible to convert into Class A Common Stock, on a ten-for-one basis, at any time following twelve (12) months after the Company's completion of its initial public offering of its Class A Common Stock. The issuance was considered as a nominal issuance, in substance a recapitalization transaction, which was recorded and presented retroactively as outstanding for all reporting periods. The computation of basic and diluted EPS did not include the Class B Common Stock as the holders of Class B Common Stock have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock.

Note 12 – Equity

The Company was incorporated in Nevada on April 11, 2018. As of the date of this report, the total authorized shares of capital stock was 200,000,000 shares consisting of 166,000,000 shares of Class A Common Stock ("Class A Common Stock"), 14,000,000 shares of Class B Common Stock ("Class B Common Stock"), and 20,000,000 preferred stock (the "Preferred Stock"), each with a par value of $0.001 per share.

On November 16, 2020, the Company filed an amended and restated articles of incorporation in Nevada to consummate a 2-for-1 forward split of our outstanding shares of Class A Common Stock. All share numbers of Class A Common Stock are stated at post-split basis.

The holders of Class A Common Stock shall be entitled to one vote per share in voting or consenting to the election of directors and for all other corporate purposes. The Company issued 20,000,000 shares to its founders at inception.

On January 15, 2020, pursuant to a rescission and mutual release agreement with an unrelated company, the Company issued 204,496 shares of its Class A Common Stock as settlement payment of the $427,010 received.

As of June 30, 2020 and 2019, after giving effect to a 2-for-1 forward split of the outstanding shares of Class A Common Stock, there were 20,204,496 and 20,000,000 shares of Class A Common Stock issued and outstanding, respectively.

On October 20, 2020, the Company entered into stock purchase agreements with Chenlong Tan and Allan Huang (the "Founders") pursuant to which each of the Founders received 7,000,000 shares of the Company's Class B Common Stock, for a purchase price of $0.001 per share in cash. Based on the fact that other than the total consideration of $14,000 (total par value of the Class B Common Stock issued), the Founders did not provide additional services or other means of considerations for the issuance of these shares of Class B Common Stock, the issuance of the Class B Common Stock to the Founders was considered as a nominal issuance, in substance a recapitalization transaction. As such, in accordance with FASB ASC 260-10-55-12 and SAB Topic 4D, The Company recorded and presented the issuance retroactively as outstanding for all reporting periods.

The Class B Common Stock shall be entitled to ten (10) votes per share in voting or consenting to the election of directors and for all other corporate purposes. Class B Common Stock shall be eligible to convert into Class A Common Stock, on a ten-for-one basis, at any time following twelve (12) months after the Company's completion of the initial public offering of its Class A Common Stock. Holders of Class B Common Stock shall have no dividend or liquidation right until such time as their shares of Class B Common Stock have been converted into Class A Common Stock. As of June 30, 2020 and 2019, the outstanding shares of Class B Common Stock were retroactively stated as 14,000,000 and 14,000,000, respectively.

The Preferred Stock was authorized as "blank check" series of Preferred Stock, providing that the Board of Directors is expressly authorized, subject to limitations prescribed by law, by resolution or resolutions and by filing a certificate pursuant to the applicable law of the State of Nevada, to provide, out of the authorized but unissued shares of Preferred Stock, for series of Preferred Stock, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof. As of June 30, 2020 and 2019, the Company had not issued any shares of Preferred Stock.

Note 13 - Concentration of risk

Credit risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

As of June 30, 2020 and 2019, $977,635 and $471,458, respectively, were deposited with various major financial institutions in the United States.

Accounts receivable are typically unsecured and derived from revenue earned from customers, thereby exposing the Company to credit risk. The risk is mitigated by the Company's assessment of its customers' creditworthiness and its ongoing monitoring of outstanding balances. The Company maintains reserves for estimated credit losses, and such losses have generally been within expectations.

Customer and vendor concentration risk

For the years ended June 30, 2020 and 2019, Amazon Vendor and Amazon Seller customers accounted for 71% and 74% of the Company's total revenues, respectively. As of June 30, 2020 and 2019, accounts receivable from Amazon Vendor and Amazon Seller accounted for 95% and 82% of the Company's total accounts receivable.

For the years ended June 30, 2020 and 2019, two suppliers accounted for 38.5% (25.2% and 13.3%) and 32.6% (24.1% and 8.5%) of the Company's total purchases, respectively. As of June 30, 2020, accounts payable to three suppliers accounted for 25.6%, 12.5% and 11.7%, respectively, of the Company's total accounts payable. As of June 30, 2019, accounts payable to two suppliers accounted for 29.7% and 16.6%, respectively, of the Company's total accounts payable.

Note 14 - Commitments and contingencies

Lease commitment

The Company has adopted ASC842 since its inception date, April 11, 2018. The Company has entered into a lease agreement for office and warehouse space with a lease period from December 1, 2018 until December 31, 2020. Total commitment for the full term of the lease is $1,100,387. $262,875 and $750,337 of operating lease right-of-use assets and $262,875 and $750,337 of operating lease liabilities were reflected on the June 30, 2020 and 2019 financial statements, respectively.

Note 14 - Commitments and contingencies (Continued)

Lease commitment (Continued)

Years Ended June 30, 2020 and 2019:

Lease cost	6/30/2020	6/30/2019
Operating lease cost (included in G&A in the Company's statement of operations)	$ 528,186	$ 308,108
Other information		
Cash paid for amounts included in the measurement of lease liabilities	528,530	303,009
Remaining term in years	0.50	1.5
Average discount rate - operating leases	8%	8%
The supplemental balance sheet information related to leases for the period is as follows:		
Operating leases		
Right of use asset - non current	262,875	750,337
Lease Liability - current	262,875	487,462
Lease Liability - non current	–	262,875
Total operating lease liabilities	$ 262,875	$ 750,337

Maturities of the Company’s lease liabilities are as follows:

Years ending June 30,	**Operating Lease**
2021	$ 268,848
Less: Imputed interest/present value discount	(5,973)
Present value of lease liabilities	$ 262,875

Contingencies

The Company is not currently a party to any material legal proceedings, investigation or claims. However, the Company may, from time to time, be involved in legal matters arising in the ordinary course of its business. While the Company is not presently subject to any material legal proceedings, there can be no assurance that such matters will not arise in the future or that any such matters in which the Company is involved, or which may arise in the ordinary course of the Company’s business, will not at some point proceed to litigation or that such litigation will not have a material adverse effect on the business, financial condition or results of operations of the Company.

In an effort to contain or slow the COVID-19 outbreak, authorities across the world have implemented various measures, some of which have been subsequently rescinded or modified, including travel bans, stay-at-home orders and shutdowns of certain businesses. The Company anticipates that these actions and the global health crisis caused by the COVID-19 outbreak, including any resurgences, will continue to negatively impact global economic activity. While the COVID-19 outbreak has not had a material adverse impact on the Company’s operations to date, it is difficult to predict all of the positive or negative impacts the COVID-10 outbreak will have on the Company’s business.

Note 15 - Subsequent events

VIE Agreement

On September 4, 2020, the Company entered into an agreement with Global Product Marketing Inc. (“GPM”), an entity incorporated in the State of Nevada on September 4, 2020. GPM is owned by Chenlong Tan, the Chairman, CEO, President, and one of the majority shareholders of the Company. Pursuant to the terms of the agreement, the Company will provide technical support, management services and other services on an exclusive basis in relation to GPM’s business during the term of the Agreement. The Company agrees to fund GPM for operational cash flow needs and bear the risk of GPM’s losses from operations and GPM agrees that the Company has rights to GPM’s net profits, if any. Under the terms of the agreement, the Company may at any time, at its option, acquire for nominal consideration 100% of either the equity of GPM or its assets subject to assumption of all of its liabilities.

The Company does not have direct ownership in GPM but will be actively involved in GPM’s operations with the power to direct the activities and significantly impact GPM’s economic performance. The Company also bears all the risk of loss, and has rights to receive all benefits from, GPM. As such, in accordance with ASC 810-10-25-38A through 25-38J, GPM is considered a variable interest entity (“VIE”) of the Company. The Company will consolidate GPM’s financials from the incorporation date of GPM on September 4, 2020.

Stock Issuances

On October 20, 2020, the Company entered into stock purchase agreements with Chenlong Tan and Allan Huang (the “Founders”) pursuant to which each of the Founders received 7,000,000 shares of the Company’s Class B Common Stock, for a purchase price of $0.001 per share in cash. See Note 12 above for details.

On December 30, 2020, the Company closed a private placement and issued a total of 34,500 shares of Series A Convertible Preferred Stock, par value $0.001 per share, to a total of three accredited investors, at a purchase price of $10.00 per share, for a total purchase price of $345,000 in cash. In connection with this private placement, the Company paid $27,600 in cash and issued warrants to purchase 2,415 shares of Series A Convertible Preferred Stock to Boustead Securities, LLC, the placement agent, as compensation. The exercise price of the warrants is $10 per share.

Stock Split

On November 16, 2020, the Company filed with the Secretary of State of Nevada an amendment to its articles of incorporation, pursuant to which it completed a two-for-one forward stock split (the “Forward Stock Split”) of the Company’s Class A Common Stock. Following the Forward Stock Split, the Company had a total of 20,204,496 shares of Class A Common Stock outstanding.

Leases

On August 24, 2020, the Company negotiated for new terms to extent the lease of its primary fulfillment center located in Duarte, California. The lease term is amended and extended through December 31, 2023. The monthly payment is $42,000 with two months of free rental and three months $21,000 per month.

On September 1, 2020 in addition to the primary fulfillment center, the Company leased a second fulfillment center located at 14750 E. Nelson Avenue, Unit #I, Industry City, CA 91744. The base rental fee is $27,921 to $29,910 per month through October 31, 2023.

Note 15 - Subsequent events (Continued)

Revolving credit facility

On November 16, 2020, the Receivable Purchase Agreement with WFC was amended to increase the credit limit of the revolving facility from $2,000,000 to $3,000,000, which bears a discount rate of 0.0277% per day. This revolving credit facility is secured by all of the Company's assets and guaranteed by Chenlong Tan, the CEO and one of the Company's major shareholders and founders. Pursuant to the agreement, all purchases of receivables will be without recourse to the Company and WFC assumes the credit risk but not the risk of non-payment of the accounts receivable. The Company is obligated to collect on all of the accounts receivables and to repurchase or pay back the amount drawn down if the accounts receivable is not collected. As of December 31, 2020, the Company had drawn $1.55 million from this facility.

Convertible Notes

On January 27, 2021, the Company completed a private placement offering pursuant to which the Company sold to two accredited investors with an aggregate of $3,000,000 convertible notes with a 6% interest per annum and three-year warrants to purchase shares of Class A Common Stock which equals 80% of the number of shares of Class A Common Stock issuable upon conversion of the Convertible Notes. The Convertible Notes shall be automatically converted into the Company's Class A Common Stock upon qualified event or repayable in cash at the option of the holders of the Convertible Notes with repayment to commence six months after January 27, 2021. The conversion price equals to the lesser of (a) a price representing a 30% discount to the public offering price per share of the Class A Common Stock in this Offering, or (b) a price representing a 30% discount to the price per share equal to dividing $200 million by the total number of (x) outstanding shares of Class A Common Stock immediately prior to the IPO, (y) the number of Class A Common Stock issuable upon conversion of the 34,500 shares of Series A Preferred Stock, and (z) the number of Class A Common Stock issuable upon conversion of all outstanding Convertible Notes. Any interest accrued on the Convertible Note will be waived upon conversion.

Upon closing of the private placement, the Company paid $120,000 in cash and issued warrants to purchase 7% of the shares of Class A Common Stock underlying the Convertible Note as placement agent compensation.

5,000,000 shares of Common Stock

Prospectus dated , 2021

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the SEC registration fee and the FINRA filing fee.

Item	Amount
SEC registration fee	$ 6,274
FINRA filing fees	9,125
Accountants' fees and expenses	225,500
Legal fees and expenses	400,000
Underwriters' reimbursable expenses, including legal fees	700,000
Transfer Agent's fees and expenses	10,000
Printing and other expenses	289,601
Total Expenses	$ 1,640,500

Item 14. Indemnification of Directors and Officers.

We are a Nevada corporation, and accordingly, we are subject to the corporate laws under the Nevada Revised Statutes. Article 9 of our Amended and Restated Articles of Incorporation, Article 8 of our by-laws and the Nevada Revised Business Statutes, contain indemnification provisions.

Our Amended and Restated Articles of Incorporation provides that we will indemnify, in accordance with our by-laws and to the fullest extent permitted by the Nevada Revised Statutes or any other applicable laws, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including an action by or in the right of the corporation, by reason of such person acting as a director or officer of the corporation or any of its subsidiaries against any liability or expense actually and reasonably incurred by such person. We will be required to indemnify an officer or director in connection with an action, suit or proceedings initiated by such person only if (i) such action, suit or proceeding was authorized by the Board and (ii) the indemnification does no relate to any liability arising under Section 16(b) of the Exchange Act, as amended, or rules or regulations promulgated thereunder. Such indemnification is not exclusive of any other right to indemnification provided by law or otherwise. Indemnification shall include payment by us of expenses in defending an action or proceeding in advance of final disposition of such action or proceeding upon receipt of an undertaking by the person indemnified to repay such payment if it's ultimately determined that such person is not entitled to indemnification.

While we intend to obtain director and officer liability insurance prior to the effectiveness of this registration statement, at present we only maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, or the Securities Act, against certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. Please read "Item 17. Undertakings" for more information on the SEC's position regarding such indemnification provisions.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding all securities issued by us within the past three years. Also included is the consideration received by us for such securities, if any, and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

On January 27, 2021, we sold a total of $3,000,000 in 6% convertible notes ("Convertible Notes") and warrants to purchase Common Stock (the "Warrants") to two accredited investors pursuant to an exemption from registration under Rule 506(b) of Regulation D under the Securities Act. The Convertible Notes will automatically convert into shares of Common Stock at a conversion price equal to the lesser of (a) $7.00 per share, representing a 30% discount to the public offering price per share of the Common Stock in this Offering, or (b) $6.33 per share, representing a 30% discount to the price per share equal to dividing $200 million by the total number of (x) the 21,604,496 shares of Common Stock immediately prior to the IPO, (y) the 49,286 shares of Common Stock issuable upon conversion of the 34,500 shares of Series A Preferred Stock, and (z) the 474,170 shares of Common Stock issuable upon conversion of all outstanding Convertible Notes (a "Mandatory Conversion"). The Warrants are three-year warrants to purchase such number of Class A Common Stock as would equal 80% of the number of shares of Class A Common Stock issuable upon conversion of the Convertible Notes, exercisable for cash or cashlessly at a purchase price equal to the IPO per share purchase price. As placement agent compensation for the Convertible Notes and Warrants offering, we issued warrants to purchase 33,192 shares of Class A Common Stock.

On December 30, 2020, we issued a total of 34,500 shares of Series A convertible preferred stock, par value $0.001 per share, to a total of three accredited investors, at a purchase price of $10.00 per share, for a total purchase price of $345,000. Boustead Securities, LLC acted as placement agent in the Series A preferred offering, and received compensation of $27,600 and warrants to purchase 2,415 shares of Series A convertible preferred stock. The shares were issued to accredited investors pursuant to exemption from registration under Rule 506(b) of Regulation D under the Securities Act.

On October 20, 2020, we issued 14,000,000 shares of our Class B Common Stock, par value $0.001 per share, to our two founders, Allan Huang and Chenlong Tan in exchange for a total purchase price of $14,000. The shares were issued to our two founders pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act. The shares of Class B Common Stock, entitled the holders to 10 votes per share and was eligible to convert into Class A Common Stock, on a one-for-ten basis, at any time following twelve (12) months after the Company's completion of its initial public offering of its Class A Common Stock. On April 14, 2021, the Company amended its articles of incorporation to permit immediate conversion of the Class B Common Stock and the Company's two founders converted all of their 14,000,000 shares of Class B Common Stock into 1,400,000 additional shares of Class A Common Stock, bringing their total ownership to an aggregate of 16,046,668 shares of Class A Common Stock or 74.3% of the 21,604,496 shares of Class A Common Stock outstanding as of the date of this prospectus. Effective April 14, 2021, the Company amended and restated its Articles of Incorporation to permit the immediate conversion of the Class B Common Stock and to eliminate any future issuances of Class B Common Stock. On April 23, 2021, the Company further amended and restated its articles of incorporation to eliminate the Class A and Class B Common Stock and authorize for issuance 180,000,000 shares which are solely designated as Common Stock.

On January 15, 2020, we issued a total of 204,496 shares of our Common Stock to Sugarmade Inc. as a refund of cash related to a terminated merger agreement. The shares were issued to Sugarmade Inc. pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act.

In April 2018 and July 2020, we issued a total of 20,000,000 shares of our Common Stock, par value $0.001 per share, to our two founders and four key employees. The shares were issued to our founders and key employees pursuant to an exemption from registration under Section 4(a)(2) of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

See the Exhibit Index attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules.

All schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit No.	Description
1.1	Form of Underwriting Agreement. (**)
3.1	Fourth Amended and Restated Articles of Incorporation of iPower Inc. *
3.2	Fifth Amended and Restated Articles of Incorporation of iPower Inc.*
3.3	Sixth Amended and Restated Articles of Incorporation of iPower Inc. (**)
3.4	Second Amended and Restated Bylaws of iPower Inc. *
4.1	Certificate of Designation of Series A Convertible Preferred Stock *
4.2	Form of Placement Agent Warrant for private placement completed December 30, 2020*
4.3	Form of Placement Agent Warrant for private placement completed January 27, 2021*
4.4	Warrant, dated January 27, 2021, issued to Wiseman Capital Management LLC*
4.5	Warrant, dated January 27, 2021, issued to Bright Century Investment LLC*
5.1	Legal Opinion of Michelman & Robinson LLP. (**)
10.1	2020 Amended and Restated Equity Incentive Plan (**)
10.2	Form of Sublease Agreement, dated as of December 1, 2018, between BZRTH, Inc. and BizRight, LLC*
10.3	Asset Purchase Agreement, dated December 1, 2018, between BZRTH, Inc. and BizRight, LLC*
10.4	Loan and Security Agreement, dated May 3, 2019, between BZRTH, Inc. and WFC Fund, LLC*
10.5	Consulting Agreement, dated February 1, 2020, between BZRTH, Inc. and Allan Huang*
10.6	Note for PPP Loan, dated April 13, 2020, issued to Royal Business Bank*
10.7	Loan Authorization and Agreement, dated April 18, 2020, between BZRTH, Inc. and U.S. Small Business Administration*
10.8	Employment Agreement, dated July 1, 2020, between iPower Inc. and Chenlong Tan*
10.9	Standard Industrial Multi-Tenant Lease, dated as of September 1, 2020, between BZRTH, Inc. and Nelson, LLC*
10.10	Exclusive Business Cooperation Agreement, dated September 4, 2020, between iPower Inc. and Global Product Marketing Inc.*
10.11	Restricted Stock Purchase Agreement, dated October 20, 2020, between iPower Inc. and Allan Huang*
10.12	Restricted Stock Purchase Agreement, dated October 20, 2020, between iPower Inc. and Chenlong Tan*
10.13	Amended and Restated Exclusive Business Cooperation Agreement, dated October 26, 2020, between iPower Inc. and E Marketing Solution Inc.*
10.14	Receivables Purchase Agreement, dated November 16, 2020, between BZRTH, Inc. and WFC Fund, LLC*
10.15	Form of Subscription Agreement for Series A Preferred Stock Offering*
10.16	Board Letter Agreement, dated January 26, 2021, between iPower Inc. and Danilo Cacciamatta*
10.17	Board Letter Agreement, dated January 26, 2021, between iPower Inc. and Bennet Tchaikovsky*
10.18	Form of Subscription Agreement for 6% Convertible Note and Warrants*
10.19	Convertible Note, dated January 27, 2021, issued to Wiseman Capital Management LLC*
10.20	Convertible Note, dated January 27, 2021, issued to Bright Century Investment LLC*
10.21	Board Letter Agreement, dated January 28, 2021, between iPower Inc. and Kevin Liles*
10.22	Employment Agreement, dated January 29, 2021, between iPower Inc. and Kevin Vassily*
10.23	Indemnification Agreement, dated as of April 27, 2021, by and among iPower Inc. and D.A. Davidson & Co., Roth Capital Partners, LLC and US Tiger Securities, Inc. (**)
10.24	Indemnification and Lock-Up Agreement, dated as of April 27, 2021, entered into by Chenlong Tan. (**)
14.1	Code of Business Conduct and Ethics*
23.1	Consent of UHY LLP (**)
23.2	Consent of Michelman & Robinson LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)
99.1	Consent of Kevin Liles*
99.2	Consent of Danilo Cacciamatta*
99.3	Consent of Bennet Tchaikovsky*

* Previously filed
** Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Duarte, of the State of California, on May 5, 2021.

iPOWER INC.

By: ***/s/ Chenlong Tan***
Chenlong Tan
Chairman, Chief Executive Officer and President

KNOW ALL PERSONS BY THESE PRESENTS, that the persons whose signature appears below constitute and appoint Chenlong Tan as his or her true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments (including pre-effective and post-effective amendments) to this document 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 which said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

Signature	Title	Date
/s/ Chenlong Tan Chenlong Tan	Chief Executive Officer, President, and Chairman of the Board *(Principal Executive Officer)*	May 5, 2021
/s/ Kevin Vassily Kevin Vassily	Chief Financial Officer *(Principal Financial Officer)*	May 5, 2021

UNDERWRITING AGREEMENT

[•] Shares

iPower Inc.

Common Stock

UNDERWRITING AGREEMENT

[_____], 2021

D.A. DAVIDSON & CO.
As representative of the several Underwriters
named in Schedule I hereto
611 Anton Blvd., Suite 600
Costa Mesa, CA 92626

Ladies and Gentlemen:

iPower Inc., a Nevada corporation (the "**Company**"), proposes to issue and sell to the several underwriters named in Schedule I hereto (the "**Underwriters**") for whom you are acting as representative (the "**Representative**") an aggregate of [•] shares (the "**Firm Shares**") of the common stock, par value $0.001 per share, of the Company ("**Common Stock**"). The Company also proposes to sell to the several Underwriters, for the sole purpose of covering over-allotments in connection with the sale of the Firm Shares, at the option of the Underwriters, up to an additional [•] shares of Common Stock (the "**Option Shares**"). The Firm Shares and the Option Shares are hereinafter referred to collectively as the "**Shares**".

The variable interest entities, Global Product Marketing Inc. and E Marketing Solution Inc., (each, a "**VIE**" and, collectively, the "**VIE**s"), which are consolidated in the Company's financial statements and will be acquired by the Company no later than two business days following the Closing Date, are referred to herein each as a "Subsidiary" and, collectively, the "Subsidiaries."

The Company confirms as follows its agreements with the Representative and the several other Underwriters.

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that, as of the date hereof and as of the Closing Date (as defined herein) and each Option Closing Date (as defined herein), if any:

(i) A registration statement on Form S-1 (File No. 333-252629) in respect of the Shares and one or more pre-effective amendments thereto (together, the "**Initial Registration Statement**") have been filed with the Securities and Exchange Commission (the "**Commission**"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to you, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "**Rule 462(b) Registration Statement**"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "**Securities Act**"), which became effective upon filing, no other document with respect to the Initial Registration Statement has heretofore been filed with the Commission; no stop order suspending the effectiveness of the Initial Registration Statement or any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued, no proceeding for that purpose has been initiated or threatened by the Commission and any request on the part of the Commission for additional information from the Company has been satisfied in all material respects; each preliminary prospectus included in the Initial Registration Statement, as originally filed or as part of any amendment thereto, or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Securities Act is hereinafter called a "**Preliminary Prospectus**"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all schedules and exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Securities Act and deemed by virtue of Rule 430A under the Securities Act to be part of the Initial Registration Statement at the time it was declared effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, each as amended at the time such part of the Initial Registration Statement became effective, are hereinafter collectively called the "**Registration Statement**"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(a)(iii) hereof) is hereinafter called the "**Pricing Prospectus**"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Securities Act, is hereinafter called the "**Prospectus**"; and any "issuer free writing prospectus" as defined in Rule 433 under the Securities Act relating to the Shares is hereinafter called an "**Issuer Free Writing Prospectus**"; and all references to the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus, the Prospectus, any Issuer Free Writing Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("**EDGAR**"). From the time of initial filing of the Registration Statement with the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"). "**Testing-the-Waters Communication**" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act;

(ii) (1) at the respective times the Initial Registration Statement, any Rule 462(b) Registration Statement and any post-effective amendments thereto became effective and at the Closing Date (and, if any Option Shares are purchased, at each Option Closing Date), the Initial Registration Statement, any Rule 462(b) Registration Statement and any amendments and supplements thereto complied and will comply in all material respects with the requirements of the Securities Act and the rules and regulations of the Commission thereunder (the "**Rules and Regulations**") and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and (2) at the time the Prospectus or any amendments or supplements thereto were issued and at the Closing Date (and, if any Option Shares are purchased, at each Option Closing Date), neither the Prospectus nor any amendment or supplement thereto included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the representations and warranties in clauses (1) and (2) above shall not apply to statements in or omissions from the Registration Statement or the Prospectus made in reliance upon and in strict conformity with information furnished to the Company in writing by any Underwriter through the Representative expressly for use in the Registration Statement or the Prospectus, it being understood and agreed that the only such information provided by any Underwriter is that described as such in Section 9(b) hereof. No order preventing or suspending the use of any Preliminary Prospectus, the Pricing Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission;

Each Preliminary Prospectus, the Pricing Prospectus, each Issuer Free Writing Prospectus and the Prospectus filed as part of the Initial Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the requirements of the Securities Act and the Rules and Regulations and each Preliminary Prospectus, the Pricing Prospectus, each Issuer Free Writing Prospectus and the Prospectus delivered to the Underwriters for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T;

(iii) For the purposes of this Agreement, the "**Applicable Time**" is [____: ____ __].m. (Eastern time) on the date of this Agreement. The Pricing Prospectus as supplemented by the Issuer Free Writing Prospectus, Written Testing-the-Waters Communications (as hereinafter defined) and other documents listed in Schedule II hereto, taken together (collectively, the "**Pricing Disclosure Package**") as of the Applicable Time, did not, and as of the Closing Date or Option Closing Date, as the case may be, will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus and/or Written Testing-the-Waters Communication listed on Schedule II hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus and each such Issuer Free Writing Prospectus and/or Written Testing-the-Waters Communication, as supplemented by and taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date or Option Closing Date, as the case may be, will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to statements or omissions made in an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication in reliance upon and in strict conformity with information furnished in writing to the Company by an Underwriter through the Representative expressly for use therein;

(iv) The Company has filed a registration statement pursuant to the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), to register the Common Stock, and such registration statement has been declared effective; at the time of filing the Initial Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Shares, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined under Rule 405 under the Securities Act;

(v) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Nevada, with power and authority (corporate and other) to own, lease and operate its properties and conduct its business as described in the Registration Statement, the Pricing Prospectus and the Prospectus and to enter into and perform its obligations under this Agreement, and has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure so to qualify or be in good standing would not have a material adverse effect on the Company and its Subsidiaries, taken as a whole;

(vi) The Company does not have any subsidiaries. The board of directors of the Company and its shareholders have duly authorized the entry by the Company into agreements with each of Global Product Marketing Inc. and E Marketing Solution Inc. promptly following completion of the Offering, pursuant to which each of such VIEs will convey for nominal consideration 100% of the equity of each VIE to the Company promptly following completion of the Offering, and in no later than two (2) business days thereafter, as set forth in the Registration Statement, the Pricing Prospectus and the Prospectus. Each VIE has been duly incorporated (or organized) and is validly existing as a corporation (or other organization) in good standing under the laws of the jurisdiction of its incorporation (or organization), with power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement, the Pricing Prospectus and the Prospectus, and has been duly qualified as a foreign corporation (or other organization) for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except where the failure so to qualify or be in good standing would not have a material adverse effect on the Company and the VIEs, taken as a whole; all of the issued and outstanding capital stock (or other ownership interests) of each VIE has been duly and validly authorized and issued, is fully paid and non-assessable and is owned by the Company, directly or indirectly, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity;

(vii) The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Prospectus and the Prospectus, and all of the issued and outstanding shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and conform to the descriptions thereof contained in the Registration Statement, the Pricing Prospectus and the Prospectus; and none of the issued and outstanding shares of capital stock of the Company are subject to any preemptive or similar rights or were issued in violation of the registration requirements of the Securities Act;

(viii) The Shares to be issued and sold by the Company to the Underwriters hereunder have been duly and validly authorized and, when issued and delivered to and paid for by the Underwriters in accordance with the terms of this Agreement, will be duly and validly issued and fully paid and non-assessable and will conform to the descriptions thereof contained in the Registration Statement, the Pricing Prospectus and the Prospectus; and the issuance of such Shares is not in violation of or subject to any preemptive or similar rights;

(ix) This Agreement has been duly authorized, executed and delivered by the Company;

(x) The issue and sale of the Shares to be sold by the Company hereunder, the execution and delivery of this Agreement by the Company and the compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions contemplated in this Agreement and the Pricing Prospectus will not (A) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default (or an event which with notice or lapse of time, or both, would constitute a default) under, any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries is bound or to which any of the property or assets of the Company or any of the Subsidiaries is subject, (B) result in any violation of the provisions of the certificate or articles of incorporation or by-laws (or other applicable organizational documents) of the Company or any of the Subsidiaries or (C) result in the violation of any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of the Subsidiaries or any of their properties, except as would not, in the case of (A) or (C), individually or in the aggregate, reasonably be expected to result in a material adverse effect on the general affairs, business, prospects, management, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares to be sold by the Company hereunder or the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Securities Act of the offering, issuance and sale of the Shares and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws of the various states or foreign jurisdictions or the rules and regulations of the Financial Industry Regulatory Authority ("**FINRA**") in connection with the purchase and distribution of the Shares by the Underwriters;

(xi) UHY LLP, who have audited certain financial statements of the Company and the Subsidiaries, are independent public accountants registered with the Public Company Accounting Oversight Board as required by the Securities Act and the Rules and Regulations. The financial statements, together with related schedules and notes, included in the Registration Statement, the Pricing Prospectus and the Prospectus comply in all material respects with the requirements of the Securities Act and present fairly the consolidated financial position, results of operations and changes in financial position of the Company and the Subsidiaries on the basis stated in the Registration Statement at the respective dates or for the respective periods to which they apply; such statements and related schedules and notes have been prepared in accordance with U.S. generally accepted accounting principles ("**GAAP**") consistently applied throughout the periods involved, except as disclosed therein; the summary financial data included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the financial statements included in the Registration Statement; and the other financial information included in Registration Statement, the Pricing Prospectus and the Prospectus has been derived from the accounting records of the Company and presents fairly in all material respects the information shown thereby;

(xii) Neither the Company nor any Subsidiary has sustained since the date of the latest audited financial statements included in the Pricing Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, (1) there has not been any change in the capital stock or long-term debt of the Company or any of the Subsidiaries, (2) there has not been any material adverse change, or any development that would reasonably be expected to result in a prospective material adverse change, in or affecting the general affairs, business, prospects, management, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole, (3) there have been no transactions entered into by, and no obligations or liabilities, contingent or otherwise, incurred by the Company or any of the Subsidiaries, whether or not in the ordinary course of business, which are material to the Company and the Subsidiaries, taken as a whole or (4) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock, in each case, otherwise than as set forth or contemplated in the Pricing Prospectus;

(xiii) Neither the Company nor any of the Subsidiaries is (1) in violation of its certificate or articles of incorporation or bylaws (or other applicable organizational documents) or (2) in violation of any law, ordinance, administrative or governmental rule or regulation applicable to the Company or any of the Subsidiaries, or (3) in violation of any decree of any court or governmental agency or body having jurisdiction over the Company or any of the Subsidiaries or any of their properties, or (4) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any bond, debenture, note or any other evidence of indebtedness or in any agreement, indenture, lease or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which any of them or any of their respective properties may be bound, except, in the case of the foregoing clauses (2), (3) and (4), where any such violation or default, individually or in the aggregate, would not have a material adverse effect on the general affairs, business, prospects, management, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, considered as one enterprise;

(xiv) Each of the Company and each Subsidiary has good and marketable title to all personal property owned by it, in each case free and clear of all liens, encumbrances and defects except such as are described in the Registration Statement and the Pricing Prospectus or such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any Subsidiary; and any real property and buildings held under lease by the Company or any Subsidiary are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or any Subsidiary;

(xv) Other than as set forth in the Pricing Prospectus, there are no legal or governmental proceedings pending to which the Company or any of the Subsidiaries or, to the Company's knowledge, any officer or director of the Company is or could be a party or of which any property of the Company or any of the Subsidiaries or, to the Company's knowledge, any officer or director of the Company is or could be the subject which, if determined adversely to the Company or any Subsidiary (or any such officer or director), individually or in the aggregate, would have or may reasonably be expected to have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole, or would prevent or impair the consummation of the transactions contemplated by this Agreement, or which are required to be described in the Registration Statement or the Pricing Prospectus; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others;

(xvi) Other than as set forth in the Pricing Prospectus or the Pricing Disclosure Package, to the Company's knowledge, there are no legal or governmental proceedings pending to which the Company is a party or to which any property of the Company is subject that are required to be disclosed pursuant to Item 103 of Regulation S-K promulgated under the Securities Act;

(xvii) The Company and the Subsidiaries (i) possess all permits, licenses, approvals, consents and other authorizations (collectively, "**Permits**") issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct the businesses now operated by them and as disclosed in the Registration Statement, the Pricing Prospectus or the Prospectus and (ii) are in compliance with the terms and conditions of all such Permits and all of the Permits are valid and in full force and effect, except, in each case, where the failure so to comply or where the invalidity of such Permits or the failure of such Permits to be in full force and effect, individually or in the aggregate, would not have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole; and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or material modification of any such Permits;

(xviii) The Company and the Subsidiaries own or possess, or can acquire on reasonable terms, all licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks and trade names, patents and patent rights (collectively "**Intellectual Property**") material to carrying on their businesses as described in the Registration Statement, the Pricing Prospectus or the Prospectus, and neither the Company nor any Subsidiary has received any correspondence relating to any Intellectual Property or notice of any claims, action, suit or proceeding of infringement of or conflict with asserted rights of others with respect to any Intellectual Property which would render any Intellectual Property invalid or inadequate to protect the interest of the Company and the Subsidiaries and which claim, action, suit or proceeding (if the subject of any unfavorable decision, ruling or finding) or invalidity or inadequacy, individually or in the aggregate, would have or may reasonably be expected to have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole;

(xix) No material labor dispute with the employees of the Company or the Subsidiaries exists, or, to the knowledge of the Company, is imminent. The Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its or any Subsidiary's principal suppliers, manufacturers, customers or contractors, which, individually or in the aggregate, may reasonably be expected to result in a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole;

(xx) The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any Subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a material adverse effect on the Company and the Subsidiaries, taken as a whole;

(xxi) The Company and each of its Subsidiaries have made and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company and its Subsidiaries. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company and its Subsidiaries; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company and its Subsidiaries are being made only in accordance with authorizations of management and directors of the Company and its Subsidiaries; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets of the Company and its Subsidiaries that could have a material effect on the financial statements. Except as described in the Registration Statement, the Pricing Prospectus and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been no material weakness in the Company's "internal control over financial reporting" (as defined under Rules 13a-15 and 15d-15 under the Exchange Act) (whether or not remediated);

(xxii) Since the date of the latest audited financial statements included in the Pricing Prospectus, (a) the Company has not been advised of (1) any significant deficiencies in the design or operation of internal controls that could adversely affect the ability of the Company and each of its Subsidiaries to record, process, summarize and report financial data, or any material weaknesses in internal controls and (2) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company and each of its Subsidiaries, and (b) since that date, there has been no change in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting;

(xxiii) The Company maintains "disclosure controls and procedures" (as such term is defined in Rule 13a-15 (e) of the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and the Subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective;

(xxiv) The Company had a reasonable basis for, and made in good faith, each "forward-looking statement" (within the meaning of Section 27A of the Securities Act or Section 21E of the Exchange Act) included in the Registration Statement, the Time of Sale Disclosure Package, the Final Prospectus and any other offering materials.

(xxv) All United States federal income tax returns of the Company and the Subsidiaries required by law to be filed have been filed and all taxes shown by such returns or otherwise assessed, which are due and payable, have been paid, except assessments against which appeals have been or will be promptly taken and as to which adequate reserves have been provided. The Company and the Subsidiaries have filed all other tax returns that are required to have been filed by them pursuant to applicable foreign, state, local or other law, except insofar as the failure to file such returns, individually or in the aggregate, would not result in a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole, and have paid all taxes due pursuant to such returns or pursuant to any assessment received by the Company or any Subsidiary except for such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided. The charges, accruals and reserves on the books of the Company and the Subsidiaries in respect of any income and corporation tax liability for any years not finally determined are adequate to meet any assessments or re-assessments for additional income tax for any years not finally determined;

(xxvi) There are no statutes, regulations, documents or contracts of a character required to be described in the Registration Statement or the Pricing Prospectus or to be filed as an exhibit to the Registration Statement which are not described or filed as required. The agreements and documents described in the Registration Statement, the Pricing Disclosure Package and the Prospectus conform to the descriptions thereof contained therein and there are no agreements or other documents required by the Securities Act and the Regulations to be described therein or to be filed with the Commission as exhibits to the Registration Statement that have not been so described or filed. Each agreement or other instrument (however characterized or described) to which the Company is a party or by which it is or may be bound or affected and (x) that is referred to in the Pricing Disclosure Package or the Prospectus, or (b) is material to the Company's business, has been duly authorized and validly executed by the Company, is in full force and effect in all material respects and is enforceable against the Company and, to the Company's knowledge, the other parties thereto, in accordance with its terms, except (1) as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, (2) as enforceability of any indemnification or contribution provision may be limited under the federal or state securities laws, and (3) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to the equitable defenses and to the discretion of the court before which any proceeding therefore may be brought. None of such agreements or instruments has been assigned by the Company, and neither the Company nor, to the Company's knowledge, any other party is in default thereunder and, to the Company's knowledge, no event has occurred that, with the lapse of time or the giving of notice, or both, would constitute a default thereunder. Performance by the Company of the material provisions of such agreements or instruments will not result in a violation of any existing applicable law, rule, regulation, judgment, order or decree of any governmental agency or court, domestic or foreign, having jurisdiction over the Company or any of its assets or businesses, including, without limitation, those relating to environmental laws and regulations;

(xxvii) Neither the Company nor any of the Subsidiaries (i) is in violation of any statute or any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, production, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "**environmental laws**"), (ii) owns or operates any real property contaminated with any substance that is subject to any environmental laws, (iii) is liable for any off-site disposal or contamination pursuant to any environmental laws, (iv) is subject to any claim relating to any environmental laws, (v) has failed to receive any permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business and (vi) has failed to comply with any terms and conditions of any such permit, license or approval, which violation, contamination, liability, claim, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals, individually or in the aggregate, would have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole; and the Company is not aware of any pending investigation which might lead to such a claim;

(xxviii) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is maintained, administered or contributed to by the Company or any Subsidiary for employees or former employees of the Company and its affiliates has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**"), except to the extent that failure to so comply, individually or in the aggregate, would not have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole. No "prohibited transaction" (within the meaning of Section 406 of ERISA or Section 4975 of the Code) or "accumulated funding deficiency" (as defined in Section 302 of ERISA) or any of the events set forth in Section 4043(b) of ERISA (other than events with respect to which the thirty (30)-day notice requirement under Section 4043 of ERISA has been waived) has occurred or could reasonably be expected to occur with respect to any such plan excluding transactions effected pursuant to a statutory or administrative exemption;

(xxix) Neither the Company nor any of its Subsidiaries, or any director, officer, employee, or, to the knowledge of the Company, any agent, representative or other person associated with or acting on behalf of the Company or any of its Subsidiaries, has (i) used, directly or indirectly, any funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made, offered or promised to make, authorized or ratified any direct or indirect unlawful payment of monies or anything of value to any foreign or domestic government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) or any person on behalf of such government official from corporate funds; (iii) violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law (collectively, the "**Anti-Bribery and Anti-Corruption Laws**"); or (iv) made, offered or promised to make, authorized or ratified any bribe, unlawful rebate, payoff, influence payment, kickback or other unlawful payment or monies or anything of value. The Company and the Subsidiaries have conducted their businesses in compliance with applicable Anti-Bribery and Anti-Corruption Laws and have instituted, maintained and enforced and continue to maintain and enforce policies and procedures designed to promote and ensure compliance with Anti-Bribery and Anti-Corruption Laws. Neither the Company nor the Subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Anti-Bribery and Anti-Corruption Laws. No government official who is in a position to direct business to the Company nor any of his or her immediate family members is an officer or director or owns any securities of the Company or its Subsidiaries. The Company and its Subsidiaries are and since the inception of each of the Company and its Subsidiaries have been in compliance with, and have not been penalized for and, to the Company's knowledge, have not been under investigation with respect to or threatened to be charged with or given notice of any violation of, any applicable Anti-Bribery and Anti-Corruption Laws;

(xxx) The operations of the Company and the Subsidiaries are and have been conducted at all times in compliance with the requirements of applicable anti-money laundering laws, including, but not limited to, the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the anti-money laundering laws of the various jurisdictions in which the Company and its Subsidiaries conduct business (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened. The Company and the Subsidiaries have instituted, maintained and enforced and continue to maintain and enforce policies and procedures designed to promote and ensure compliance with Money Laundering Laws.

(xxxi) Neither the Company nor any of its Subsidiaries, nor any of its directors, officers or employees, or, to the Company's knowledge, agents purporting to act on behalf of the Company (i) are, or are owned or controlled by one or nore persons that are, currently the target of or reasonably likely to become the target of any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, or other relevant sanctions authority (collectively, "**Sanctions**") or applicable export control laws and regulations, or (ii) are located, organized or resident in a country or territory that is the subject of territorial Sanctions (currently including limitation, Crimea, Cuba, Iran, North Korea, Syria and Venezuela); and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently the target of any Sanctions. Neither the Company nor any of its Subsidiaries has engaged in, or is now engaged in, directly or indirectly, any dealings or transactions with any person, that, at the time of the dealing or transaction, is or was the subject of Sanctions or with any person operating, located, domiciled or registered in a country or territory that is the subject of territorial Sanctions. The Company and the Subsidiaries have instituted, maintained and enforced and continue to maintain and enforce policies and procedures designed to promote and ensure compliance with Sanctions and export control laws and regulations. The Company and its Subsidiaries are and, since the inception of each of the Company and its Subsidiaries have been in compliance with, and have not been penalized for and, to the Company's knowledge, have not been under investigation with respect to or threatened to be charged with or given notice of any violation of, any applicable Sanctions or applicable export controls laws and regulations.

(xxxii) There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any provision of (i) the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, including Section 402 related to loans and Sections 302 and 906 related to certifications and (ii) the Dodd-Frank Wall Street Reform and Consumer Protection Act;

(xxxiii) There are no persons with registration rights or other similar rights to have the resale of their securities registered pursuant to the Registration Statement or otherwise registered by the Company under the Securities Act;

(xxxiv) The Company is not and, after giving effect to the offering and sale of the Shares as contemplated herein and the application of the net proceeds therefrom as described in the Pricing Prospectus, will not be an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the "**Investment Company Act**");

(xxxv) The Company has not distributed and, prior to the later to occur of the Closing Date (as defined in Section 4 hereof) and completion of distribution of the Shares, will not distribute any offering materials in connection with the offering and sale of the Shares, other than the Pricing Prospectus, the Prospectus and, subject to compliance with Section 6 hereof, any Issuer Free Writing Prospectus; and the Company has not taken and will not take, directly or indirectly, any action designed to cause or result in, or which constitutes or might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale of the Shares. The Company (a) has not alone engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications that have occurred with the consent of the Representative with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (b) has not authorized anyone other than the Representative to engage in Testing-the-Waters Communications. The Company reconfirms that the Representative has been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Written Testing-the-Waters Communications other than those listed on Schedule II hereto. "**Written Testing-the-Waters Communication**" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act;

(xxxvi) The statistical and market- and industry-related data included in the Pricing Prospectus and the Prospectus are based on or derived from sources which the Company believes to be reliable and accurate or represent the Company's good faith estimates that are made on the basis of data derived from such sources, and the Company has obtained the written consent to the use of such data from such sources to the extent required;

(xxxvii) Except as disclosed in the Registration Statement, the Pricing Prospectus and the Prospectus, there are no business relationships or related party transactions involving the Company or any other person required to be described in the Prospectus that have not been described as required.

(xxxviii) There are no outstanding loans, advances (except normal advances for business expenses in the ordinary course of business) or guarantees of indebtedness by the Company or any of the Subsidiaries to or for the benefit of any of the officers or directors of the Company or any of their respective family members. There are no other transactions between or among the Company, directors, officers or other control persons of the Company, other than what has been disclosed in the Pricing Prospectus and Prospectus.

(xxxix) The Board of Directors of the Company, following the completion of the initial public offering, is comprised of the persons set forth under the heading of the Prospectus captioned "Management." The qualifications of the persons appointed to serve as board members and the overall composition of the board comply with the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder applicable to the Company and the rules of the Nasdaq Capital Market. At least one member of the Board of Directors of the Company qualifies as a "financial expert" as such term is defined under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder and the rules of the Nasdaq Capital Market. In addition, at least a majority of the persons serving on the Board of Directors qualify as "independent" as defined under the rules of the Nasdaq Capital Market.

(xl) The Company owns or has a valid right to access and use all computer systems, networks, hardware, software, databases, websites and equipment used to process, store, maintain and operate data, information and functions necessary for the conduct of its business (the "**Company IT Systems**"), except where the failure to own or have the right to access the Company IT Systems would not reasonably be expected to have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole. The Company IT Systems are adequate for, and operate and perform in all material respects as required in connection with, the operation of the business of the Company as currently conducted except as would not be reasonably expected, individually or in the aggregate, to have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole. To the Company's knowledge, the Company IT Systems are free of disabling codes or instructions, spyware, Trojan horses, worms, viruses or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement or destruction of, such Company IT Systems or software, data or other materials. The Company and the Subsidiaries have implemented and maintained or, as applicable, required their service providers to implement and maintain, consistent with customary industry practices and legal and contractual obligations, security measures that are, to the Company's knowledge, adequate to protect the Company IT Systems and software, data, and other material stored therein from unauthorized access, use or modification. Except as disclosed in the Registration Statement, the Pricing Prospectus and the Prospectus, to the Company's knowledge, there has been no material security breach or attack or other compromise of or relating to any such Company IT Systems or data that would have a material adverse effect on the Company and its Subsidiaries, taken as a whole.

(xli) Except as would not reasonably be expected to have a material adverse effect on the general affairs, business, prospects, management, properties, financial position, stockholders' equity or results of operations of the Company, in connection with its collection, storage, transfer and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively "**Private Information**"), the Company is and has been in compliance in all material respects with all applicable laws in all relevant jurisdictions, the Company's applicable internal privacy policies and the applicable requirements of any contract. The Company takes and has taken commercially reasonable steps to protect Private Information against loss and against unauthorized access, use, modification, disclosure or other misuse. To the Company's knowledge, in the past three years, there has been no material unauthorized access, modification, disclosure or other misuse of any Private Information. The Company requires all third parties to which the Company provides Private Information or access thereto to maintain the privacy and security of such Private Information, including by contractually obligating such third parties to protect such Private Information in accordance with the applicable privacy laws. The Company is not subject to any written complaints, lawsuits, proceedings, audits, investigations or claims by any private party, the Federal Trade Commission, any state attorney general or similar state official, or any other governmental authority, foreign or domestic, regarding its collection, use, storage, disclosure, transfer or maintenance of any Private Information and there are no such complaints, lawsuits, proceedings, audits, investigations or claims, to the Company's knowledge, threatened in writing.

(xlii) (1) Except as described in the Preliminary Prospectus, the Prospectus and the Registration Statement, there are no claims, payments, arrangements, agreements or understandings relating to the payment of a finder's, consulting or origination fee by the Company or any of its officers or directors with respect to the sale of the securities hereunder or any other arrangements, agreements or understandings of the Company or, to the Company's knowledge, any of its shareholders that may affect the Underwriters' compensation, as determined by FINRA;

(2) Except as described in the Pricing Prospectus, the Prospectus and the Registration Statement, the Company has not made any direct or indirect payments (in cash, securities or otherwise) to: (x) any person, as a finder's fee, consulting fee or otherwise, in consideration of such person raising capital for the Company or introducing to the Company persons who raised or provided capital to the Company; (y) to any FINRA member; or (z) to the Company's knowledge, to any person or entity that has any direct or indirect affiliation or association with any FINRA member, within the twelve months prior to the date of this Agreement, other than payments to the Underwriters as provided hereunder in connection with the offering of the Shares hereunder.

(3) None of the net proceeds of the offering of the Shares hereunder will be paid by the Company to any participating FINRA member or its affiliates, except as specifically authorized herein.

(4) To the Company's knowledge, no officer, director or any beneficial owner of five percent or more of the Company's unregistered securities has any direct or indirect affiliation or association with any FINRA member (as determined in accordance with the rules and regulations of FINRA) except as set forth in the Registration Statement. The Company will advise the Representative if it learns that any officer, director or owner of five percent or more of the Company's outstanding shares of Common Stock (or securities convertible into shares of Common Stock) is or becomes an affiliate or associated person of a FINRA member participating in the offering of the Shares hereunder.

(xliii) The audiovisual presentation made available to the public by the Company at http://www.netroadshow.com is a "bona fide electronic roadshow" for purposes of Rule 433(d)(8)(ii) of the Securities Act, and such presentation, together with the Pricing Prospectus, does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements in or omissions from such presentation or Pricing Prospectus made in reliance upon and in strict conformity with information furnished to the Company in writing by any Underwriter through the Representative expressly for use therein; and

(xliv) Any certificate signed by any officer of the Company delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of $[•] (the "**Purchase Price**"), the number of Firm Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the aggregate number of Firm Shares to be sold by the Company hereunder by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from the Company hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Option Shares as provided below, the Company agrees to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the Purchase Price (provided that the Purchase Price per Option Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Securities but not payable on the Option Shares), the number of Option Shares (to be adjusted by you so as to eliminate fractional shares) determined by multiplying the number of Option Shares as to which such election shall have been exercised by the fraction set forth in clause (a) above.

The Company hereby grants to the Underwriters the right to purchase at their election up to [•] Option Shares, at the Purchase Price, for the sole purpose of covering over-allotments in connection with the sale of the Firm Shares, provided that the Purchase Price per Option Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Securities but not payable on the Option Shares. The Underwriters may exercise their option to purchase Option Shares in whole or in part from time to time only by written notice from the Representative to the Company, given within a period of 45 calendar days after the date of this Agreement and setting forth the aggregate number of Option Shares to be purchased and the date on which such Option Shares are to be delivered, as determined by the Representative but in no event earlier than the Closing Date or, unless the Representative and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by the Representative of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale to the public upon the terms and conditions set forth in the Prospectus.

4. The Company will deliver the Firm Shares to the Representative through the facilities of the Depository Trust Company ("**DTC**") for the accounts of the Underwriters, against payment of the purchase price therefor in Federal (same day) funds by official bank check or checks or wire transfer drawn to the order of the Company at the office of Orrick, Herrington & Sutcliffe LLP, The Orrick Building, 405 Howard Street, San Francisco, California 94105, at 10:00 A.M., or by electronic exchange of executed documents, New York time, on [•], 2021, or at such other time not later than seven full business days thereafter as the Representative and the Company determine, such time being herein referred to as the "**Closing Date**". For purposes of Rule 15c6-1 under the Exchange Act, the Closing Date (if later than the otherwise applicable settlement date) shall be the settlement date for payment of funds and delivery of securities for all the Firm Shares.

Each time for the delivery of and payment for the Option Shares, being herein referred to as an "**Option Closing Date**", which may be the Closing Date, shall be determined by the Representative as provided above. The Company will deliver the Option Shares being purchased on each Option Closing Date to the Representative through the facilities of DTC for the accounts of the Underwriters, against payment of the purchase price therefor in Federal (same day) funds by official bank check or checks or wire transfer drawn to the order of the Company at the above office of Orrick, Herrington & Sutcliffe LLP, or by electronic exchange of executed documents, at 10:00 A.M., New York time on the applicable Option Closing Date.

5. The Company covenants and agrees with each of the Underwriters as follows:

(a) The Company, subject to Section 5(b), will comply with the requirements of Rule 430A under the Securities Act, and will notify the Representative immediately, and confirm the notice in writing, (i) when any post-effective amendment to the Registration Statement shall become effective, or any supplement to the Prospectus or any amended prospectus shall have been filed, to furnish the Representative with copies thereof, and to file promptly all material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Securities Act, (ii) of the receipt of any comments from the Commission, (iii) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Preliminary Prospectus, or of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, or of the initiation or threatening of any proceedings for any of such purposes; and (v) if the Company ceases to be an Emerging Growth Company at any time prior to the later of (A) completion of the distribution of the Shares within the meaning of the Securities Act and (B) completion of the 180-day restricted period referred to in Section 5(j) hereof. The Company will promptly effect the filings necessary pursuant to Rule 424(b) under the Securities Act and will take such steps as it deems necessary to ascertain promptly whether the form of prospectus transmitted for filing under Rule 424(b) was received for filing by the Commission and, in the event that it was not, it will promptly file such prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) The Company will give the Representative notice of its intention to file or prepare any amendment to the Registration Statement (including any filing under Rule 462(b) under the Securities Act), or any amendment, supplement or revision to the Prospectus, or any Issuer Free Writing Prospectus, will furnish the Representative with copies of any such documents a reasonable amount of time prior to such proposed filing or use, as the case may be, and will not file or use any such document to which the Representative or counsel for the Underwriters shall reasonably object.

(c) The Company will use its best efforts to qualify the Shares for offering and sale under the securities laws of such jurisdictions as you may reasonably request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that nothing in this Section 5(c) shall require the Company to qualify as a foreign corporation in any jurisdiction in which it is not already so qualified, or to file a general consent to service of process in any jurisdiction.

(d) The Company has furnished or will deliver, upon request, to the Representative, without charge, two (2) signed copies of the Initial Registration Statement as originally filed, any Rule 462(b) Registration Statement and of each amendment to each (including exhibits filed therewith or incorporated by reference therein) and signed copies of all consents and certificates of experts, and will also, upon request, deliver to the Representative, without charge, a conformed copy of the Registration Statement as originally filed and of each amendment thereto (without exhibits) for each of the Underwriters. The copies of the Registration Statement and each amendment thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(e) The Company has delivered to each Underwriter, without charge, as many written and electronic copies of each Preliminary Prospectus or the Pricing Prospectus as such Underwriter reasonably requested, and the Company hereby consents to the use of such copies for purposes permitted by the Securities Act. The Company will furnish to each Underwriter, without charge, prior to 5:00 P.M. (Eastern time) on the business day next succeeding the date of this Agreement and from time to time thereafter during the period when the Prospectus is required to be delivered in connection with sales of the Shares under the Securities Act or the Exchange Act or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act, such number of written and electronic copies of the Prospectus (as amended or supplemented) as such Underwriter may reasonably request. The Prospectus and any amendments or supplements thereto furnished to the Underwriters will be identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(f) The Company will comply with the Securities Act and the Rules and Regulations so as to permit the completion of the distribution of the Shares as contemplated in this Agreement and in the Prospectus. If at any time when, in the opinion of counsel for the Underwriters, a prospectus is required to be delivered in connection with sales of the Shares under the Securities Act or the Exchange Act (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act), any event shall occur or condition shall exist as a result of which it is necessary, in the opinion of counsel for the Underwriters or for the Company, to amend the Registration Statement or amend or supplement the Prospectus in order that the Prospectus will not include any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act) is delivered to a purchaser, or if it shall be necessary, in the opinion of either such counsel, at any such time to amend the Registration Statement or amend or supplement the Prospectus in order to comply with the requirements of the Securities Act or the Rules and Regulations, the Company will promptly prepare and file with the Commission, subject to Section 5(b), such amendment or supplement as may be necessary to correct such statement or omission or to make the Registration Statement or the Prospectus comply with such requirements, and the Company will furnish to the Underwriters such number of written and electronic copies of such amendment or supplement as the Underwriters may reasonably request. The Company will provide the Representative with notice of the occurrence of any event during the period specified above that may give rise to the need to amend or supplement the Registration Statement or the Prospectus as provided in the preceding sentence promptly after the occurrence of such event. If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representative and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(g) The Company will make generally available (within the meaning of Section 11(a) of the Securities Act) to its security holders and to the Representative as soon as practicable, but not later than 45 days after the end of its fiscal quarter in which the first anniversary date of the effective date of the Registration Statement occurs, an earnings statement (in form complying with the provisions of Rule 158 under the Securities Act) covering a period of at least twelve consecutive months beginning after the effective date of the Registration Statement.

(h) The Company will use the net proceeds received by it from the sale of the Shares in the manner specified in the Registration Statement, the Pricing Prospectus and the Prospectus under the heading “Use of Proceeds”.

(i) The Company will use its best efforts to effect and maintain the listing of the Common Stock (including the Shares) on the Nasdaq Capital Market.

(j) During a period of 180 days from the date of the Prospectus, the Company will not, without the prior written consent of the Representative, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise, (iii) make any demand for or exercise any right with respect to the registration of Common Stock and (iv) publicly disclose the intention to do or cause any of the foregoing, other than (1) the Shares to be sold hereunder, (2) the issuance of equity awards to acquire shares of Common Stock via exercise or vesting granted pursuant to the Company's benefit plans existing on the date hereof that are referred to in the Prospectus, as such plans may be amended pursuant to past practices or (3) the issuance of shares of Common Stock upon the exercise or vesting of any equity awards granted pursuant to the Company's benefit plans existing on the date hereof that are referred to in the Prospectus, as such plans may be amended. Notwithstanding the foregoing, if (A) during the last 17 days of the 180-day restricted period the Company issues an earnings release or material news or a material event relating to the Company occurs; or (B) prior to the expiration of the 180-day restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day period, the restrictions imposed by this Agreement shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The Company shall promptly notify the Representative of any earnings release, news or event that may give rise to an extension of the initial 180-day restricted period.

(k) If the Representative, in its sole discretion, agrees to release or waive the restrictions set forth in a "lock-up" agreement described in Section 8(l) hereof for an officer or director of the Company and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit D hereto through a major news service at least two business days before the effective date of the release or waiver.

(l) The Company will enforce and will not release any shareholders from any "lock-up" agreements or provisions, whether entered into in connection with this offering or previously agreed to in connection with prior private placement offerings of its securities, without the Representative's prior written consent.

(m) The Company, during the period when the Prospectus is required to be delivered in connection with sales of the Shares under the Securities Act or the Exchange Act (or in lieu thereof, the notice referred to in Rule 173(a) under the Securities Act), will file all documents required to be filed with the Commission pursuant to the Exchange Act within the time periods required by the Exchange Act and the rules and regulations of the Commission thereunder.

(n) The Company will file with the Commission such information on Form 10-Q or Form 10-K as may be required pursuant to Rule 463 under the Securities Act.

(o) During a period of five years from the effective date of the Registration Statement, the Company will (A) (i) furnish to you copies of all reports or other communications (financial or other) furnished to shareholders generally, and (ii) deliver to you as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; provided that the Company will be deemed to have furnished such information in (A) to the extent such information is filed on EDGAR; and (B) such additional information concerning the business and financial condition of the Company as you may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and the Subsidiaries are consolidated in reports furnished to its shareholders generally or to the Commission).

(p) If the Company elects to rely upon Rule 462(b) under the Securities Act, the Company will file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and at the time of filing either to pay to the Commission the filing fee for the Rule 462(b) Registration Statement or to give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Securities Act.

(q) If so requested by the Representative, the Company shall cause to be prepared and delivered, at its expense, within one business day from the effective date of this Agreement, to the Representative an "electronic Prospectus" to be used by the Underwriters in connection with the offering and sale of the Shares. As used herein, the term "**electronic Prospectus**" means a form of the most recent Preliminary Prospectus, any Issuer Free Writing Prospectus, the Pricing Prospectus or the Prospectus, and any amendment or supplement thereto, that meets each of the following conditions: (i) it shall be encoded in an electronic format, satisfactory to the Representative, that may be transmitted electronically by the Representative and the other Underwriters to offerees and purchasers of the Shares, (ii) it shall disclose the same information as such paper Preliminary Prospectus, Issuer Free Writing Prospectus, the Pricing Prospectus or the Prospectus, as the case may be; and (iii) it shall be in or convertible into a paper format or an electronic format, satisfactory to the Representative, that will allow investors to store and have continuously ready access to such Preliminary Prospectus, Issuer Free Writing Prospectus, the Pricing Prospectus or the Prospectus at any future time, without charge to investors (other than any fee charged for subscription to the Internet generally). The Company hereby confirms that, if so requested by the Representative, it has included or will include in the Prospectus filed with the Commission an undertaking that, upon receipt of a request by an investor or his or her representative, the Company shall transmit or cause to be transmitted promptly, without charge, a paper copy of such paper Preliminary Prospectus, Issuer Free Writing Prospectus or the Prospectus to such investor or representative.

(r) The Company agrees to engage and maintain, at its expense, a registrar and transfer agent for the Common Stock.

6. (a) The Company represents and agrees that, without the prior consent of the Representative, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Securities Act; each Underwriter represents and agrees that, without the prior consent of the Company and the Representative, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus required to be filed with the Commission; any such free writing prospectus the use of which has been consented to by the Company and the Representative is listed on Schedule II hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Securities Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Securities Act to avoid a requirement to file with the Commission any electronic road show;

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus any event occurred or occurs as a result of which such Issuer Free Writing Prospectus would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representative and, if requested by the Representative, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus or other document which will correct such conflict, statement or omission.

7. The Company covenants and agrees with the several Underwriters that, whether or not the transactions contemplated by this Agreement are consummated, the Company will pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including the fees, disbursements and expenses of the Company's accountants and counsel, and filing fees and expenses incurred in connection with (i) the preparation, printing, filing, mailing and delivery of the Registration Statement, each Preliminary Prospectus, any Issuer Free Writing Prospectus, the Pricing Prospectus and the Prospectus and amendments and supplements, including fees payable to the Commission and FINRA, (ii) if applicable, the listing or qualification of the Common Stock, including the Shares, for trading on the Nasdaq Capital Market; (iii) the printing and mailing of this Agreement and related documents; (iv) the issuance, transfer and delivery of the Shares, including issue and transfer taxes, if any; (v) the qualification, registration or exemption, if required, of the Shares under the securities laws of those states in which the Representative determines to offer the Shares, including the costs of preparing, printing and mailing "Blue Sky" survey and the fees and disbursements of counsel to the Underwriters in connection therewith; (vi) any COBRA desk or other filings with FINRA; (vii) the cost of any required due diligence procedures by the Underwriters with respect to any patent or intellectual property rights of the Company; (viii) the Company's travel in connection with "roadshow" informational meetings and presentations for the brokerage community and institutional investors; (ix) settlement in same day funds, if desired by the Company; (x) registrar and transfer agent fees; and (xi) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section 7(a).

8. The several obligations of the Underwriters hereunder to purchase the Shares on the Closing Date or each Option Closing Date, as the case may be, are subject, in their discretion, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Securities Act within the applicable time period prescribed for such filing by the Rules and Regulations and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Securities Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433 under the Securities Act; if the Company has elected to rely upon Rule 462(b) under the Securities Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof or the Prospectus or any part thereof or any Issuer Free Writing Prospectus shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission or any state securities commission; no stop order suspending or preventing the use of the Pricing Prospectus, Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction.

(b) The representations and warranties of the Company contained herein are true and correct on and as of the Closing Date or the Option Closing Date, as the case may be, as if made on and as of the Closing Date or the Option Closing Date, as the case may be, and the Company shall have complied with all agreements and all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Option Closing Date, as the case may be.

(c) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date or the Option Closing Date, as the case may be, there shall not have occurred any downgrading, nor shall any notice have been given of (i) any downgrading, (ii) any intended or potential downgrading or (iii) any review or possible change that does not indicate an improvement, in the rating accorded any securities of or guaranteed by the Company or any Subsidiary by any "nationally recognized statistical rating organization", as such term is defined for purposes of Rule 436(g)(2) under the Securities Act.

(d) (i) Neither the Company nor any Subsidiary shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Registration Statement and the Prospectus, (1) there shall not have been any change in the capital stock or long-term debt of the Company or any Subsidiary or (2) there shall not have been any material adverse change, or any development that would reasonably be expected to result in a prospective material adverse change, in or affecting the general affairs, business, prospects, management, financial position, stockholders' equity or results of operations of the Company and the Subsidiaries, taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is in the judgment of the Representative so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Closing Date or Option Closing Date, as the case may be, on the terms and in the manner contemplated in the Registration Statement, the Pricing Prospectus or the Prospectus.

(e) the Representative shall have received on and as of the Closing Date or the Option Closing Date, as the case may be, a certificate of two executive officers of the Company, at least one of whom has specific knowledge about the Company's financial matters, satisfactory to the Representative, to the effect (1) set forth in Sections 8(b) (with respect to the respective representations, warranties, agreements and conditions of the Company) and 8(c), (2) that none of the situations set forth in clause (i) or (ii) of Section 8(d) shall have occurred and (3) that no stop order suspending the effectiveness of the Registration Statement has been issued and to the knowledge of the Company, no proceedings for that purpose have been instituted or are pending or contemplated by the Commission;

(f) On the Closing Date or Option Closing Date, as the case may be, Michelman & Robinson, LLP, counsel for the Company, shall have furnished to the Representative their favorable written opinion and negative assurance letter, dated the Closing Date or the Option Closing Date, as the case may be, in form and substance satisfactory to counsel for the Underwriters.

(g) On the Closing Date or Option Closing Date, as the case may be, Sklar Williams LLP, Nevada counsel for the Company, shall have furnished to the Representative their favorable written opinion, dated the Closing Date or the Option Closing Date, as the case may be, in form and substance satisfactory to counsel for the Underwriters.

(h) On the effective date of the Registration Statement and, if applicable, the effective date of the most recently filed post-effective amendment to the Registration Statement, UHY LLP shall have furnished to the Representative a letter, dated the date of delivery thereof, in form and substance satisfactory to the Representative, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement and the Prospectus.

(i) On the Closing Date or Option Closing Date, as the case may be, the Representative shall have received from UHY LLP a letter, dated the Closing Date or such Option Closing Date, as the case may be, to the effect that they reaffirm the statements made in the letter or letters furnished pursuant to Section 8(g), except that the specified date referred to shall be a date not more than three business days prior to the Closing Date or such Option Closing Date, as the case may be.

(j) On the Closing Date or Option Closing Date, as the case may be, Orrick, Herrington & Sutcliffe LLP, counsel for the Underwriters, shall have furnished to the Representative its written opinion and negative assurance letter in form and substance reasonably satisfactory to the Representative.

(k) The Shares to be delivered on the Closing Date or Option Closing Date, as the case may be, shall have been approved for listing on the Nasdaq Capital Market, subject only to official notice of issuance.

(l) FINRA shall have confirmed that it has not raised any objection with respect to the fairness and reasonableness of the underwriting terms and conditions.

(m) The Representative shall have received "lock-up" agreements, each substantially in the form of Exhibit C hereto, from all shareholders of the Company's outstanding Common Stock, officers and directors of the Company and such agreements shall be in full force and effect on the Closing Date or Option Closing Date, as the case may be.

(n) The Representative shall have received, on the date hereof and the Closing Date or the Option Closing Date, as the case may be, a certificate dated the date hereof or the Closing Date or the Option Closing Date, as the case may be, and signed by the chief financial officer of the Company, in his capacity as such, with respect to certain financial and accounting information in the Registration Statement, the Pricing Prospectus and the Prospectus, in form and substance reasonably satisfactory to the Representative.

(o) On or prior to the Closing Date or Option Closing Date, as the case may be, the Company shall have furnished to the Representative such further information, certificates and documents as the Representative shall reasonably request.

(p) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Nasdaq Capital Market; (ii) a suspension or material limitation in trading in the Company's securities on the Nasdaq Capital Market; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war; or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the judgment of the Representative makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Closing Date or Option Closing Date, as the case may be, on the terms and in the manner contemplated in the Prospectus.

(q) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or Option Closing Date, prevent the issuance or sale of the Firm Shares or the Option Shares, as applicable; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or Option Closing Date, prevent the issuance or sale of the Firm Shares or the Option Shares, as applicable, or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

If any condition specified in this Section 8 shall not have been fulfilled when and as required to be fulfilled, this Agreement may be terminated, subject to the provisions of Section 12, by the Representative by notice to the Company at any time at or prior to the Closing Date or Option Closing Date, as the case may be, and such termination shall be without liability of any party to any other party, except as provided in Section 12.

9. (a) The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act against any and all losses, liabilities, claims, damages and expenses whatsoever as incurred (including without limitation, reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Initial Registration Statement, as originally filed or any amendment thereof, the Registration Statement, or any post-effective amendment thereof, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or in any supplement thereto or amendment thereof, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, or any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; ***provided, however***, that the Company will not be liable in any such case to the extent that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Initial Registration Statement, as originally filed or any amendment thereof, the Registration Statement, or any post-effective amendment thereof, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or in any supplement thereto or amendment thereof, any Issuer Free Writing Prospectus, or any Written Testing-the-Waters Communication in reliance upon and in strict conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representative expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter is the information described as such in Section 9(b) below.

(b) Each Underwriter severally, and not jointly, agrees to indemnify and hold harmless the Company, each of the directors of the Company, each of the officers of the Company who shall have signed the Registration Statement, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, against any losses, liabilities, claims, damages and expenses whatsoever as incurred (including without limitation, reasonable attorneys' fees and any and all reasonable expenses whatsoever incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all amounts paid in settlement of any claim or litigation), joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, liabilities, claims, damages or expenses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Initial Registration Statement, as originally filed or any amendment thereof, the Registration Statement, or any post-effective amendment thereof, or any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or in any supplement thereto or amendment thereof, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such loss, liability, claim, damage or expense arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in strict conformity with written information furnished to the Company by or on behalf of such Underwriter through the Representative expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the ninth paragraph under the "Underwriting" section regarding price stabilization.

(c) Promptly after receipt by an indemnified party under Section 9(a) or 9(b) of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such Section, notify each party against whom indemnification is to be sought in writing of the commencement thereof (but the failure so to notify an indemnifying party shall not relieve it from any liability which it may have under this Section 9). In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and jointly with any other indemnifying party similarly notified, to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnified party). Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by one of the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to have charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) such indemnified party or parties shall have reasonably concluded that there may be defenses available to it or them which are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses shall be borne by the indemnifying parties. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, which counsel, in the event of indemnified parties under Section 9(a), shall be selected by the Representative. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under Section 9(a) or 9(b) above in respect of any losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, liabilities, claims, damages or expenses (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, liabilities, claims, damages or expenses (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section 9(d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 9 (d). The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section 9(d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9(d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this Section 9(d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the parties to this Agreement contained in this Section 9 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

10. If any Underwriter or Underwriters default in its or their obligations to purchase Shares hereunder on the Closing Date or any Option Closing Date and the aggregate number of Shares that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total number of Shares that the Underwriters are obligated to purchase on such Closing Date or Option Closing Date, as the case may be, the Representative may make arrangements satisfactory to the Company for the purchase of such Shares by other persons, including any of the Underwriters, but if no such arrangements are made by such Closing Date or Option Closing Date, as the case may be, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Shares that such defaulting Underwriters agreed but failed to purchase on such Closing Date or Option Closing Date, as the case may be. If any Underwriter or Underwriters so default and the aggregate number of Shares with respect to which such default or defaults occur exceeds 10% of the total number of Shares that the Underwriters are obligated to purchase on such Closing Date or Option Closing Date, as the case may be, and arrangements satisfactory to the Representative and the Company for the purchase of such Shares by other persons are not made within 36 hours after such default, this Agreement will terminate, subject to the provisions of Section 12, without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 12. Nothing herein will relieve a defaulting Underwriter from liability for its default.

In the event of any such default which does not result in a termination of this Agreement, either the Representative or the Company shall have the right to postpone the Closing Date or the relevant Option Closing Date, as the case may be, for a period not exceeding seven days in order to effect any required changes in the Registration Statement or Prospectus or in any other documents or arrangements. As used in this Agreement, the term "**Underwriter**" includes any person substituted for an Underwriter under this Section 10.

11. Notwithstanding anything herein contained, this Agreement (or the obligations of the several Underwriters with respect to any Option Shares which have yet to be purchased) may be terminated, subject to the provisions of Section 12, in the absolute discretion of the Representative, by notice given to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date or the Option Closing Date, as the case may be, (a) trading generally on the American Stock Exchange, the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market shall have been suspended or materially limited, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices have been required, by any of said exchanges or by such system or by order of the Commission, FINRA or any other governmental or regulatory authority, (b) trading of any securities of or guaranteed by the Company or any Subsidiary shall have been suspended on any exchange or in any over-the-counter market, (c) a general moratorium on commercial banking activities in New York shall have been declared by Federal or New York State authorities or a new restriction materially adversely affecting the distribution of the Firm Shares or the Option Shares, as the case may be, shall have become effective, (d) there has occurred any material adverse change in the financial markets in the United States or the international financial markets, any outbreak of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Representative, impracticable to market the Shares to be delivered on the Closing Date or Option Closing Date, as the case may be, or to enforce contracts for the sale of the Shares, or (e) any action shall have been taken and any statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or Option Closing Date, prevent the issuance or sale of the Firm Shares or the Option Shares, as applicable; or any injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or Option Closing Date, prevent the issuance or sale of the Firm Shares or the Option Shares, as applicable, or materially and adversely affect or potentially materially and adversely affect the business or operations of the Company.

If this Agreement is terminated pursuant to this Section 11, such termination will be without liability of any party to any other party except as provided in Section 12 hereof.

12. The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representative, officers or directors or any controlling person, and will survive delivery of and payment for the Shares. If this Agreement is terminated pursuant to Section 8, 10 or 11 or if for any reason the purchase of any of the Shares by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 7 (but only for accountable out-of-pocket expenses (including the fees and expenses of its counsel) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder), the respective obligations of the Company and the Underwriters pursuant to Section 9 and the provisions of Sections 12, 13 and 16 shall remain in effect and, if any Shares have been purchased hereunder the representations and warranties in Section 1 and all obligations under Section 5 and Section 6 shall also remain in effect. If this Agreement shall be terminated by the Underwriters, or any of them, under Section 8 or otherwise because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement, or if for any reason the Company shall be unable to perform its obligations under this Agreement or any condition of the Underwriters' obligations cannot be fulfilled, the Company agrees to reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all accountable out-of-pocket expenses (including the fees and expenses of its counsel) reasonably incurred by the Underwriter in connection with this Agreement or the offering contemplated hereunder.

13. This Agreement shall inure to the benefit of and be binding upon the Company and the Underwriters, the officers and directors of the Company referred to herein, any controlling persons referred to herein and their respective successors and assigns. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. No purchaser of Shares from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

14. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given upon receipt thereof by the recipient if mailed or transmitted by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representative, c/o D.A. Davidson & Co., 611 Anton Blvd., Suite 600, Costa Mesa, CA 92626; Attention: Joseph Schimmelpfennig, with a copy to Orrick, Herrington & Sutcliffe LLP, The Orrick Building, 405 Howard Street, San Francisco, California 94105; Attention: William L. Hughes, Esq. and Marsha Mogilevich, Esq. Notices to the Company shall be given to it at iPower Inc., 2399 Bateman Avenue, Duarte, CA 91010, Attention: Chenlong Tan, with a copy to Michelman & Robinson LLP, 800 Third Avenue, New York, NY 10022; Attention: Stephen A. Weiss Esq. and Megan J. Penick, Esq.

15. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

16. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO SUCH STATE'S PRINCIPLES OF CONFLICTS OF LAWS.

17. The parties hereby submit to the jurisdiction of and venue in the federal courts located in the City of New York, New York in connection with any dispute related to this Agreement, any transaction contemplated hereby, or any other matter contemplated hereby.

18. The Company acknowledges and agrees that (i) the purchase and sale of the Shares pursuant to this Agreement, including the determination of the public offering price of the Shares and any related discounts and commissions, is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company or its respective stockholders, creditors, employees or any other party, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement, and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate. The Company agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

19. The Company acknowledges that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of their respective investment banking divisions. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Underwriters' investment banking divisions. The Company acknowledges that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transaction for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

20. Notwithstanding anything herein to the contrary, the Company is authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

21. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

22. The Company and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

23. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this section:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

[*Remainder of Page Intentionally Left Blank*]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument will become a binding agreement among the Company and the Underwriters.

Very truly yours,

IPOWER INC.

By: _____
Name:
Title:

Accepted as of the date hereof:

D.A. DAVIDSON & CO.

By: _____
Name: Joseph Schimmelpfennig
Title: Managing Director

For themselves and as Representative of the
other Underwriters named in Schedule I hereto

SCHEDULE I

Underwriter	Number of Firm Shares to be Purchased
D.A. Davidson & Co.	
Roth Capital Partners, LLC	
Tiger Securities	
Total:……	_____

SCHEDULE II

Issuer Free Writing Prospectuses, Written Testing-the-Waters Communications and others

EXHIBIT C

LOCK-UP AGREEMENT

iPOWER INC.
2399 Bateman Avenue
Duarte, CA 91010

D.A. DAVIDSON & CO.
As representative of the several Underwriters
named in Schedule I hereto
611 Anton Blvd., Suite 600
Costa Mesa, CA 92626

Ladies and Gentlemen:

The undersigned refers to the proposed Underwriting Agreement (the "**Underwriting Agreement**") among iPower Inc., a Nevada corporation (the "**Company**"), and the several underwriters named therein (the "**Underwriters**"). As an inducement to the Underwriters to execute the Underwriting Agreement in connection with the proposed public offering (the "**Offering**") of shares of the Company's common stock, par value $0.001 per share ("**Common Stock**"), pursuant to a Registration Statement on Form S-1, the undersigned hereby agrees that from the date hereof and until 180 days after the public offering date set forth on the final prospectus used to sell the Common Stock (the "**Public Offering Date**") pursuant to the Underwriting Agreement (such 180-day period being referred to herein as the "**Lock-Up Period**"), the undersigned will not (and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned's household, any partnership, corporation or other entity within the undersigned's control, and any trustee of any trust that holds Common Stock or other securities of the Company for the benefit of the undersigned or such spouse or family member not to) (1) offer, sell, contract to sell (including any short sale), pledge, hypothecate, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, grant any option, right or warrant for the sale of, purchase any option or contract to sell, sell any option or contract to purchase, or otherwise encumber, dispose of or transfer, or grant any rights with respect to, directly or indirectly, any shares of Common Stock or securities convertible into or exchangeable or exercisable for any shares of Common Stock (collectively, the "**Lock-Up Securities**"), (2) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) is to be settled by delivery of the Lock-Up Securities, in cash or otherwise, (3) make any demand for or exercise any right with respect to the registration of the Lock-Up Securities or (4) publicly disclose the intention to do or cause any of the foregoing, without, in each case, the prior written consent of D.A. Davidson & Co. ("**D.A. Davidson**"), which consent may be withheld in D.A. Davidson's sole discretion; *provided*, *however*, that if (i) during the last 17 days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be automatically extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless D.A. Davidson waives, in writing, such extension. The undersigned acknowledges and agrees that the foregoing precludes the undersigned from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (whether by the undersigned or any other person) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any Lock-Up Securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Lock-Up Securities, in cash or otherwise.

The undersigned hereby acknowledges and agrees that written notice of any extension of the Lock-Up Period pursuant to the previous paragraph will be delivered by D.A. Davidson to the Company (in accordance with Section 5(k) of the Underwriting Agreement) and that any such notice properly delivered will be deemed to have been given to, and received by, the undersigned. The undersigned further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the 34th day following the expiration of the initial Lock-Up Period, it will give notice thereof to D.A. Davidson and will not consummate such transaction or take any such action unless it has received written confirmation from D.A. Davidson that the Lock-Up Period (as may have been extended pursuant to the previous paragraph) has expired.

Notwithstanding the foregoing, the undersigned may transfer the undersigned's Lock-Up Securities without the prior written consent of the Representative:

(i) provided that (a) such transfer shall not involve a disposition for value, (b) each resulting transferee of the Company's securities executes and delivers to the Representative an agreement satisfactory to the Representative certifying that such transferee is bound by the terms of this lock-up agreement and has been in compliance with the terms hereof since the date first above written as if it had been an original party hereto, (c) no filing by any party under Section 16(a) of the Exchange Act shall be required or shall be made voluntarily in connection with such transfer:

a. as a bona fide gift or gifts;

b. to any trust or other entity for the direct or indirect benefit of the undersigned or the immediate family (parents, children or siblings) of the undersigned;

c. if the undersigned is a corporation, partnership, limited liability company, trust or other business entity and (1) transfers to another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned or (2) distributes the Lock-Up Securities to limited partners, limited liability company members or stockholders of the undersigned, or to any investment fund or other entity that controls or manages the undersigned;

(ii) via transfer by testate succession or intestate succession;

(iii) if the undersigned is an employee of the Company and transfers to the Company upon death, disability or termination of employment of such employee; or

(iv) pursuant to an order of a court or regulatory agency.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any issuer-directed or "friends and family" shares of Common Stock that the undersigned may purchase in the proposed public offering; (ii) D.A. Davidson agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of the Lock-Up Securities, D.A. Davidson will notify the Company of the impending release or waiver, and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by D.A. Davidson hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

In addition, the undersigned agrees that, during the period commencing on the date hereof and ending 180 days after the Public Offering Date, without the prior written consent of D.A. Davidson (which consent may be withheld in its sole discretion): (a) the undersigned will not request, make any demand for or exercise any right with respect to, the registration of any Common Stock or any security convertible into or exercisable or exchangeable for Common Stock and (b) the undersigned waives any and all notice requirements and rights with respect to the registration of any such security pursuant to any agreement, understanding or otherwise to which the undersigned is a party.

In furtherance of the foregoing, the Company and its transfer agent and registrar are hereby authorized to (a) decline to make any transfer of shares of Common Stock if such transfer would constitute a violation or breach of this lock-up agreement and (b) place legends and stop transfer instructions on any such shares of Common Stock owned or beneficially owned by the undersigned. The undersigned understands that the Company and the Underwriters are relying upon this lock-up agreement in proceeding toward consummation of the Offering. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this lock-up agreement. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

The undersigned understands that, if (1) the Underwriting Agreement is not executed by July 31, 2021, (2) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the shares of Common Stock to be sold thereunder, or (3) D.A. Davidson, on the one hand, or the Company, on the other hand, advises the other, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Offering, then this lock-up agreement shall be void and of no further force or effect.

This lock-up agreement and any claim, controversy or dispute arising under or related to this lock-up agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law rules.

This lock-up agreement may be delivered via facsimile, electronic mail (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com or www.echosign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

_____

Printed Name:

_____

Date:

_____

EXHIBIT D

[Form of Press Release]

iPower Inc.
[Date]

iPower Inc. (the "Company") announced today that D.A. Davidson & Co., the lead book-running managing underwriter in the Company's recent public offering of _____ shares of common stock, is [waiving] [releasing] a lock-up restriction with respect to _____ shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____, 20___, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Exhibit 3.3

SIXTH AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

iPOWER INC.

The Articles of Incorporation of iPower Inc., formerly known as BZRTH Inc. (the "Corporation"), were originally filed in the Office of the Secretary of State of the State of Nevada, 202 North Carson Street, Carson City, Nevada 89701, on April 11, 2018 as Document Number 20180164458-79, as amended on September 4, 2020 as Document Number 20200898654, as amended and restated on October 19, 2020 as Document Number 20200987646, as further amended and restated on November 13, 2020 as Document Number 20201041836, as further amended and restated on January 11, 2021 as Document Number 20211156485, as further amended and restated on April 14, 2021 as Document Number 20211384401, and as further amended and restated on April 22, 2021 as Document Number 20211405156.

On May 5 2021, the Board of Directors of the Corporation unanimously adopted a resolution proposing and declaring advisable that the Fifth Amended and Restated Articles of Incorporation be amended and restated in its entirety pursuant to Section 78.403 of the Nevada Revised Statutes of the State of Nevada (the "NRS") and duly adopted this Sixth Amended and Restated Articles of Incorporation.

In lieu of a special meeting of the stockholders of the Corporation, on May 5, 2021, the holders of a majority of the issued and outstanding shares of voting capital stock of the Corporation provided their written consent in favor of this Sixth Amended and Restated Articles of Incorporation in accordance with the provisions of NRS Sections 78.310 and 78.390.

The text of the Articles of Incorporation, as amended and restated herein, shall read as follows:

FIRST: The name of the Corporation is "**iPower Inc.**"

SECOND: The address of the Corporation's registered office in the State of Nevada is 5348 Vegas Drive, in the city of Las Vegas, Nevada 897108. The name of its registered agent at such address is Eastbiz.com, Inc.

THIRD: The nature or purpose of the business to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the NRS.

FOURTH: The total number of shares of capital stock which the Corporation shall have authority to issue is Two Hundred Million (200,000,000) shares, each having a par value of $0.001 per share, consisting of:

(i) One Hundred Eighty Million (180,000,000) shares of Common Stock, par value $0.001 per share (the "Common Stock"); and

(ii) Twenty Million (20,000,000) shares of "blank check" Serial Preferred Stock, par value $0.001 per share (the "Preferred Stock").

A statement of the powers, designations, preferences, and relative participating, optional or other special rights and the qualifications, limitations and restrictions of the Common Stock and the Preferred Stock is as follows:

1. Common Stock.

(a) Dividends. Subject to the express terms of any outstanding series of Preferred Stock, dividends may be paid in cash or otherwise with respect to the holders of Common Stock out of the assets of the Corporation legally available therefor, upon the terms, and subject to the limitations, as the Board of Directors of the Corporation (the "Board of Directors") may determine.

(b) Liquidation Rights. Subject to the express terms of any outstanding Preferred Stock, in the event of a liquidation or dissolution of the Corporation, the holders of Common Stock shall be entitled to share in the distribution of any remaining assets available for distribution to the holders of Common Stock ratably in proportion to the total number of shares of Common Stock then issued and outstanding.

(c) Voting Rights. The holders of Common Stock shall be entitled to one vote per share in voting or consenting to the election of directors and for all other corporate purposes to the extent authorized by this Articles of Incorporation or the NRS.

2. Serial Preferred Stock. Subject to approval by holders of shares of any class or series of Preferred Stock to the extent such approval is required by its terms, the Board of Directors is hereby expressly authorized, subject to limitations prescribed by law, by resolution or resolutions and by filing a certificate pursuant to the applicable law of the State of Nevada, to provide, out of the unissued shares of Preferred Stock, for series of Preferred Stock, and to establish from time to time the number of shares to be included in each such series, and to fix the designation, powers, preferences and rights of the shares of each such series and the qualifications, limitations or restrictions thereof.

The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(a) The number of shares constituting that series and the distinctive designation of that series;

(b) The rate of dividend, and whether (and if so, on what terms and conditions) dividends shall be cumulative (and if so, whether unpaid dividends shall compound or accrue) or shall be payable in preference or in any other relation to the dividends payable on any other class or classes of stock or any other series of the Preferred Stock;

(c) Whether that series shall have voting rights in addition to the voting rights provided by law and, if so, the terms and extent of such voting rights;

(d) Whether the shares must or may be redeemed and, if so, the terms and conditions of such redemption (including, without limitation, the dates upon or after which they must or may be redeemed and the price or prices at which they must or may be redeemed, which price or prices may be different in different circumstances or at different redemption dates);

(e) Whether the shares shall be issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange (including without limitation the price or prices or the rate or rates of conversion or exchange or any terms for adjustment thereof);

(f) The amounts, if any, payable under the shares thereof in the event of the Liquidation of the Corporation in preference of shares of any other class or series and whether the shares shall be entitled to participate generally in distributions in the Common Stock under such circumstances;

(g) Sinking fund provisions, if any, for the redemption or purchase of the shares (the term “sinking fund” being understood to include any similar fund, however designated); and

(h) Any other relative rights, preferences, limitations and powers of that series.

FIFTH: At all meetings of stockholders, each stockholder shall be entitled to vote, in person or by proxy, the shares of voting stock of the Corporation owned by such stockholders of record on the record date of the meeting. When a quorum is present or represented at any meeting, the vote of the holders of a majority in interest of the stockholders present in person or by proxy at such meeting and entitled to vote thereon shall decide any question, matter or proposal brought before such meeting unless the question is one upon which, by express provision of law, this Articles of Incorporation or the By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

SIXTH:

1. Number of Directors. The number of directors of the Corporation shall be fixed from time to time by the vote of a majority of the entire Board of Directors, but such number shall in no case be less than one (1) director. Any such determination made by the Board of Directors shall continue in effect unless and until changed by the Board of Directors, but no such changes shall affect the term of any directors then in office.

2. Term of Office; Quorum; Vacancies. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Subject to the By-laws, a majority of the entire Board of Directors shall constitute a quorum for the transaction of business. Any vacancies and newly created directorships resulting from an increase in the number of directors shall be filled by a majority of the Board of Directors then in office even though less than a quorum and shall hold office until his successor is elected and qualified or until his earlier death, resignation, retirement, disqualification or removal from office.

3. Removal. Subject to the By-laws, any director may be removed upon the affirmative vote of the holders of a two-thirds majority of the votes which could be cast by the holders of all outstanding shares of Common Stock entitled to vote for the election of directors, voting together as a class, at a duly called annual or special meeting of stockholders.

SEVENTH: For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation and of its directors and of its stockholders or any class thereof, as the case may be, it is further provided:

(1) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(2) The directors shall have the power, subject to the terms and conditions of the By-laws, to make, adopt, alter, amend, change, add to or repeal the By-laws.

(3) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the NRS, this Articles of Incorporation, and any By-laws adopted by the stockholders; provided, however, that no By-laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-laws had not been adopted.

EIGHTH:

1. Stockholder Meetings; Keeping of Books and Records. Meetings of stockholders may be held within or outside the State of Nevada as the By-laws may provide. The books of the Corporation may be kept (subject to any provision contained in the NRS) outside the State of Nevada at such place or places as may be designated from time to time by the Board of Directors or in the By-laws of the Corporation.

2. Special Stockholders Meetings. Special meetings of the Stockholders, for any purpose or purposes, unless otherwise prescribed by law, may be called by the President or the Chairman of the Board, if one is elected, and shall be called by the Secretary at the direction of a majority of the Board of Directors, or at the request in writing of Stockholders owning a majority in amount of the Common Stock of the Corporation issued and outstanding and entitled to vote.

3. No Written Ballot. Elections of directors need not be by written ballot unless the By-laws of the Corporation shall so provide.

NINTH:

1. Limits on Director Liability. Directors of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for breach of a fiduciary duty as a director; provided that nothing contained in this Article NINTH shall eliminate or limit the liability of a director (i) for any breach of a director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or knowing violations of law, or as otherwise expressly provided in the NRS, or (iii) for any transaction from which a director derived an improper personal benefit. If the NRS is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then by virtue of this Article NINTH the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the NRS, as so amended.

2. Indemnification.

(a) The Corporation shall indemnify, in accordance with the By-laws of the Corporation and to the fullest extent permitted from time to time by the NRS or any other applicable laws as presently or hereafter in effect, any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, an action by or in the right of the Corporation, by reason of his acting as a director or officer of the Corporation or any of its subsidiaries (and the Corporation, in the discretion of the Board of Directors, may so indemnify a person by reason of the fact that he is or was an employee or agent of the Corporation or any of its subsidiaries or is or was serving at the request of the Corporation in any other capacity for or on behalf of the Corporation) against any liability or expense actually and reasonably incurred by such person in respect thereof; provided, however, the Corporation shall be required to indemnify an officer or director in connection with an action, suit or proceeding (or part thereof) initiated by such person only if (i) such action, suit or proceeding (or part thereof) was authorized by the Board of Directors and (ii) the indemnification does not relate to any liability arising under Section 16(b) of the Exchange Act, as amended, or any rules or regulations promulgated thereunder. Such indemnification is not exclusive of any other right to indemnification provided by law or otherwise. The right to indemnification conferred by this paragraph 2(a) shall be deemed to be a contract between the Corporation and each person referred to herein.

(b) If a claim under paragraph 2(a) is not paid in full by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where any undertaking required by the By-laws of the Corporation has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the NRS and paragraph 2(a) for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the NRS, nor an actual determination by the Corporation (including its Board of Directors, legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(c) Indemnification shall include payment by the Corporation of expenses in defending an action or proceeding in advance of the final disposition of such action or proceeding upon receipt of an undertaking by the person indemnified to repay such payment if it is ultimately determined that such person is not entitled to indemnification under this Article NINTH, which undertaking may be accepted without reference to the financial ability of such person to make such repayment.

3. Insurance. The Corporation shall have the power (but not the obligation) to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss incurred by such person in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under this ARTICLE NINTH or the NRS.

4. Other Rights. The rights and authority conferred in this ARTICLE NINTH shall not be exclusive of any other right which any person may otherwise have or hereafter acquire under any statute, provision of the Articles of Incorporation, By-laws, agreement, contract, vote of stockholders or disinterested directors or otherwise.

5. Additional Indemnification. The Corporation may, by action of its Board of Directors, provide indemnification to such of the directors, officers, employees and agents of the Corporation to such extent and to such effect as the Board of Directors shall determine to be appropriate and authorized by the NRS.

6. Effect of Amendments. Neither the amendment, change, alteration nor repeal of this ARTICLE NINTH, nor the adoption of any provision of this Articles of Incorporation or the By-laws of the Corporation, nor, to the fullest extent permitted by NRS, any modification of law, shall eliminate or reduce the effect of this ARTICLE NINTH or the rights or any protection afforded under this ARTICLE NINTH in respect of any acts or omissions occurring prior to such amendment, repeal, adoption or modification.

TENTH:

1. Corporate Opportunity. In recognition of the fact that the Corporation and its directors, officers and stockholders, acting in their capacities as such, currently engage in, and may in the future engage in, the same or similar activities or lines of business and have an interest in the same areas and types of corporate opportunities, and in recognition of the benefits to be derived by the Corporation through its continued contractual, corporate and business relations with such persons, the provisions of this ARTICLE TENTH are set forth to regulate and define the conduct of certain affairs of the Corporation as they may involve such directors, officers and employees, acting in their capacities as such. Accordingly, to the fullest extent permitted by applicable law, no director, officer or stockholder of the Corporation, in such capacity, shall have any obligation to the Corporation to refrain from competing with the Corporation, making investments in competing businesses or otherwise engaging in any commercial activity that competes with the Corporation. To the fullest extent permitted by applicable law, the Corporation shall not have any right, interest or expectancy with respect to any such particular investments or activities undertaken by any of its directors, officers or stockholders, such investments or activities shall not be deemed wrongful or improper, and no such director, officer or stockholder shall be obligated to communicate, offer or present any potential transaction, matter or opportunity to the Corporation even if such potential transaction, matter or opportunity is of a character that, if presented to the Corporation, could be taken by the Corporation, so long as such transaction, matter or opportunity did not arise solely and expressly by virtue of the director being a member of the Board of Directors or an officer or an employee of the Corporation (a "Restricted Opportunity"). In the event that any director, officer or stockholder, acting in his capacity as such, acquires knowledge of a potential transaction, matter or opportunity which may be a corporate opportunity for the Corporation, but is not a Restricted Opportunity, such director, officer or stockholders, acting in their capacities as such, shall have no duty to communicate or offer such corporate opportunity to the Corporation and shall not be liable to the Corporation or its stockholders for breach of any fiduciary duty by reason of the fact that such director, officer or stockholder, acting in his capacity as such, pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person, or does not communicate information regarding such corporate opportunity to the Corporation, and the Corporation hereby renounces any interest or expectancy in such corporate opportunity. In furtherance of the foregoing, the Corporation renounces any interest or expectancy in, or in being offered the opportunity to participate in, any corporate opportunity covered by, but not allocated to it pursuant to, this ARTICLE TENTH to the fullest extent permitted by the NRS.

2. Confidential Information. The provisions of this ARTICLE TENTH shall in no way limit or eliminate a director's, officer's or stockholder's duties, responsibilities and obligations with respect to any proprietary information of the Corporation, including the duty to not disclose or use such proprietary information improperly or to obtain therefrom an improper personal benefit. Except as otherwise set forth in this ARTICLE TENTH, this ARTICLE TENTH shall not limit or eliminate the fiduciary duties of any director or officer or otherwise be deemed to exculpate any director or officer from any breach of his fiduciary duties to the Corporation. For the avoidance of doubt, nothing contained in this Article TENTH amends or modifies, or will amend or modify, in any respect any written contractual arrangement between any stockholders of the Corporation or any of their respective Affiliates, on the one hand, and the Corporation and any of its Affiliates, on the other hand, or any applicable employment or non-competition agreement.

3. Amendment. Notwithstanding anything to the contrary contained in this Articles of Incorporation, this ARTICLE TENTH may only be amended (including by merger, consolidation or otherwise by operation of law) by the affirmative vote of the holders of at least 80% of the Voting Stock. Neither the termination, alteration, amendment or repeal (including by merger, consolidation or otherwise by operation of law) of this ARTICLE TENTH nor the adoption of any provision of this Articles of Incorporation inconsistent with this ARTICLE TENTH shall eliminate or reduce the effect of this ARTICLE TENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this ARTICLE TENTH, would accrue or arise, prior to such termination, alteration, amendment, repeal or adoption.

ELEVENTH: Subject to applicable law and the terms herein, the Corporation reserves the right to repeal, alter, change or amend any provision contained in this Articles of Incorporation in the manner now or hereafter prescribed by statute and all rights conferred upon stockholders herein are granted subject to this reservation. No repeal, alteration or amendment of this Articles of Incorporation shall be made unless the same is first approved by the Board of Directors of the Corporation pursuant to a resolution adopted by the directors then in office in accordance with the By-laws and applicable law and thereafter approved by the stockholders as provided in the NRS.

TWELFTH: The name and mailing address of the Corporation is as follows:

iPower Inc.
2389 Bateman Ave
Duarte, CA 91010

IN WITNESS WHEREOF, the Corporation has caused its corporate seal to be hereunto affixed and this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer and as approved by the Board of Directors and the holders of a majority of the voting shares of capital stock of the Corporation on May 5, 2021.

/s/ Chenlong Tan
Chenlong Tan,
Chief Executive Officer

MICHELMAN & ROBINSON, LLP
ATTORNEYS AT LAW

Los Angeles Office
10880 Wilshire Blvd., 19th Floor
Los Angeles, CA 90024
P 310.299.5500 F 310.299.5600 www.mrllp.

May 5, 2021

iPower Inc.
2399 Bateman Avenue
Duarte, CA 91010

Re: iPower Inc.
Registration Statement on Form S-1 File No. 333-252629

Ladies and Gentlemen:

We have acted as counsel to iPower Inc., a Nevada corporation (the "Company"), in connection with the issuance of up to 5,750,000 shares of the Company's Class A common stock, par value $0.001 per share (the "Common Stock"), including up to 750,000 shares of Common Stock subject to the underwriter's over-allotment option (collectively, the "Shares"). The Shares are included in a Registration Statement on Form S-1 (File No. 333-252629) (the "Registration Statement") filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and the prospectus contained therein (the "Prospectus"). The Shares are being sold pursuant to an underwriting agreement between the Company and D.A. Davidson & Co. as representative of the several underwriters listed on Schedule I thereto (the "Underwriting Agreement"). The Underwriting Agreement will be filed as an exhibit to the Registration Statement incorporated by reference into therein. The opinion is being rendered in connection with the filing of the Registration Statement with the Commission.

This opinion letter is furnished in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Act.

In connection with this opinion letter, we have examined the Registration Statement and originals, or copies certified or otherwise identified to our satisfaction, of (i) the Articles of Incorporation of the Company, as amended to date (the "Articles of Incorporation"), (ii) the By-Laws of the Company, as amended to date (the "Bylaws"), (iii) resolutions of the Company's board of directors (the "Board of Directors") authorizing the issuance and sale of the Shares pursuant to the terms of the Registration Statement, including the pricing, issuance and sale of the Shares in accordance with the terns of the Prospectus, (iv) the Underwriting Agreement, and (iv) such other documents, records and other instruments as we have deemed appropriate for purposes of the opinions set forth herein.

In our examination of the documents referred to herein, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the authenticity of the documents submitted to us as originals, the conformity with the originals of all documents submitted to us as certified, facsimile or photostatic copies and the authenticity of the originals of all documents submitted to us as copies. With respect to matters of fact relevant to our opinions as set forth below, we have relied upon certificates of officers of the Company, representations made by the Company in documents examined by us, and representations of officers of the Company. We have also obtained and relied upon such certificates and assurances from public officials as we have deemed necessary for the purposes of our opinions set forth below.

Based on the foregoing, and subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that the Shares, when issued and paid for in the manner described in the Prospectus, will be duly authorized, validly issued, fully paid and non-assessable.

The opinion set forth above may be limited by (i) the effects of bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights or remedies of creditors generally; (ii) the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or at law, and the discretion of the court before which any proceeding therefor may be brought; (iii) the unenforceability under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; and (iv) requirements that a claim with respect to any Shares in denominations other than United States dollars (or a judgment denominated other than in United States dollars in respect of the claim) be converted into United States dollars at a rate of exchange prevailing on a date determined by applicable law.

The foregoing opinions are limited to the laws of the State of New York, the Nevada Revised Statutes as concerns the laws governing corporation and the federal laws of the United States of America and we express no opinion with respect to the laws of any other state or jurisdiction. The opinions expressed herein are limited to the laws, including rules and regulations, as in effect on the date hereof.

The foregoing opinions are dated the date hereof, and we express no opinion as to unforeseen facts or circumstances that are not include or incorporated in the Assumptions set forth above.

The foregoing opinions are limited to the laws of the State of New York, the Nevada Revised Statutes as concerns the laws governing corporation and the federal laws of the United States of America and we express no opinion with respect to the laws of any other state or jurisdiction. The opinions expressed herein are limited to the laws, including rules and regulations, as in effect on the date hereof.

The foregoing opinions are dated the date hereof, and we express no opinion as to unforeseen facts or circumstances that are not include or incorporated in the Assumptions set forth above.

We hereby consent to the use of this opinion as Exhibit 5.1 to the Company's Registration Statement on Form S-1/A, dated May 5, 2021, as filed with the Commission on May 5, 2021, which is incorporate by reference in the Registration Statement and to the reference to us under the caption "Legal Matters" in the Prospectus and to the references to us in the Registration Statement. In giving such consents, we do not hereby admit that we are acting within the category of persons whose consent is required under Section 7 of the Act or the rules or regulations of the Commission thereunder.

Very truly yours,

/s/ Michelman & Robinson, LLP

MICHELMAN & ROBINSON, LLP

iPOWER INC.

AMENDED AND RESTATED 2020 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide incentives to individuals who perform services for the Company, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and other stock or cash awards as the Administrator may determine.

The Plan amends and restates in its entirety the Company's 2020 Equity Incentive Plan.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 hereof.

(b) "Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plans.

(d) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and other stock or cash awards as the Administrator may determine.

(e) "Award Agreement" means the written agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Change in Control" means the occurrence of any of the following events after the Effective Date:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of stock in the Company that, together with the stock already held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any Person who is considered to own more than 50% of the total voting power of the stock of the Company before the acquisition will not be considered a Change in Control; or

(ii) The individuals who constitute the members of the Board cease, by reason of a financing, merger, combination, acquisition, takeover or other non-ordinary course transaction affecting the Company, to constitute at least fifty-one percent (51%) of the members of the Board; or

(iii) The consummation of any of the following events: (A) a change in the ownership of a substantial portion of the Company's assets, which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, or (B) a merger, consolidation or reorganization involving the Company, where either or both of the events described in clauses (i) or (ii) above would be the result. For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets or a Change in Control: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total equity or voting power of which is owned, directly or indirectly, by a Person described in subsection (iii)(B)(3) above. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 2(g), persons will be considered to be acting as a group if they are owners of a corporation or other entity that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(i) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(j) "Common Stock" means the common stock, par value $0.001 per share, of the Company.

(k) "Company" means **iPower Inc**., a Nevada corporation, or any successor thereto.

(l) "Consultant" means any person, including an advisor, other than an Employee engaged by the Company or a Parent, Subsidiary or Affiliate to render services to such entity.

(m) "Director" means a member of the Board.

(n) "Disability" means permanent and total disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "Effective Date" shall have the meaning set forth in Section 17 hereof.

(p) "Employee" means any person, including Officers and Directors, other than a Consultant employed by the Company or any Parent, Subsidiary or Affiliate of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(r) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower exercise prices and different terms), Awards of a different type, and/or cash, and/or (ii) the exercise price of an outstanding Award is reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(s) "Fair Market Value" means, as of any date, the value of the Common Stock as the Administrator may determine in good faith, by reference to the closing price of such stock on any established stock exchange or on a national market system on the day of determination, if the Common Stock is so listed on any established stock exchange or on a national market system. If the Common Stock is not listed on any established stock exchange or on a national market system, the value of the Common Stock will be determined as the Administrator may determine in good faith using (i) a valuation methodology set forth in Treasury Regulation 1.409A-1(b)(5)(iv)(B) or (ii) with respect to valuations applicable to Awards that are not subject to Code Section 409A, such other valuation methods as the Administrator may select.

(t) "Fiscal Year" means the fiscal year of the Company.

(u) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(v) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or expressly provides that it is not intended to qualify as an Incentive Stock Option.

(w) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) "Option" means a stock option granted pursuant to Section 6 hereof.

(y) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(z) "Participant" means the holder of an outstanding Award.

(aa) "Performance Goals" will have the meaning set forth in Section 11 hereof.

(bb) "Performance Period" means any Fiscal Year of the Company or such other period as determined by the Administrator in its sole discretion.

(cc) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10 hereof.

(dd) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10 hereof.

(ee) "Period of Restriction" means the period during which transfers of Shares of Restricted Stock are subject to restrictions and, therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events specified in the applicable Award, as interpreted and construed by the Administrator.

(ff) "Plan" means this iPower Inc. Amended and Restated 2020 Equity Incentive Plan.

(gg) "Restricted Stock" means Shares issued pursuant to an Award of Restricted Stock under Section 8 hereof, or issued pursuant to the early exercise of an Option.

(hh) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9 hereof. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ii) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(jj) "Section 16(b)" means Section 16(b) of the Exchange Act.

(kk) "Service Provider" means an Employee, Director, or Consultant.

(ll) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 hereof.

(mm) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(nn) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Subject to the provisions of Section 14 hereof, the maximum aggregate number of Shares that may be awarded and sold under the Plan is FIVE MILLION (5,000,000) Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units, is forfeited to or repurchased by the Company, the unpurchased Shares (or for Awards other than Options and Stock Appreciation Rights, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Upon exercise of a Stock Appreciation Right settled in Shares, the gross number of Shares covered by the portion of the Award so settled will cease to be available under the Plan. Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if unvested Shares of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares subject to an Award that are transferred to or retained by the Company to pay the tax and/or exercise price of an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan and, for the elimination of doubt, the number of Shares of equal value to such cash payment shall become available for future grant or sale under the Plan. Notwithstanding the foregoing provisions of this Section 3(b), subject to adjustment provided in Section 14 hereof, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a) above, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees may be established with respect to different groups of Service Providers; in that event, the Committee established with respect to a group of Service Providers shall administer the Plan with respect to Awards granted to members of such group.

(ii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the terms and condition, not inconsistent with the terms of the Plan, of any Award granted hereunder;

(iv) to institute an Exchange Program and to determine the terms and conditions, not inconsistent with the terms of the Plan, for (1) the surrender or cancellation of outstanding Awards in exchange for Awards of the same type, Awards of a different type, and/or cash, or (2) the reduction of the exercise price of outstanding Awards;

(v) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vi) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(vii) to modify or amend each Award (subject to Section 19(c) hereof);

(viii) to authorize any person to execute on behalf of the Company any instrument required to reflect or implement the grant of an Award previously granted by the Administrator;

(ix) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine consistent with the requirements for compliance with or exemption from the provisions of Code Section 409A; and

(x) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units, Performance Shares, and such other cash or stock awards as the Administrator determines may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations.

(i) Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000 (U.S.), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(ii) Subject to the limits set forth in Section 3, the Administrator will have complete discretion to determine the number of Shares subject to an Option granted to any Participant.

(b) Term of Option. The Administrator will determine the term of each Option in its sole discretion; provided, however, that the term will be no more than ten (10) years from the date of grant thereof in the case of Incentive Stock Options Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, but will be no less than 100% of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(c), Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to the issuance or assumption of an Option in a transaction to which Section 424(a) of the Code applies in a manner consistent with said Section 424(a).

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form(s) of consideration for exercising an Option, including the method of payment, to the extent permitted by Applicable Laws including but not limited to tendering capital stock of the Company owned by a Participant, duly endorsed for transfer to the Company.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Administrator specifies from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with any applicable withholding taxes). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 hereof.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by Award Agreement or by operation of this Section 6(d)(3), the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of cessation (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for six (6) months following the date the Participant ceases to be a Service Provider. Unless otherwise provided by the Administrator, if on the date of cessation the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after cessation the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for six (6) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will continue to vest in accordance with the Award Agreement. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Participant.

(c) Exercise Price and Other Terms. The Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan; provided, however, that the exercise price will be not less than 100% of the Fair Market Value of a Share on the date of grant.

(d) Stock Appreciation Rights Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the number of Shares with respect to which the Award is granted, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement; provided, however, that the term will be no more than ten (10) years from the date of grant thereof. Notwithstanding the foregoing, the rules of Section 6(d) above also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the "stock appreciation right exercise price," as defined under Treasury Regulation Section 1.409A-1(b)(i)(B)(2), i.e., the Fair Market Value of a Share on the date of grant of the Stock Appreciation Right; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Transferability. Except as provided in this Section 8, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until such Shares become non-forfeitable at the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise in a manner not prohibited by the Award Agreement.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and provisions for forfeiture as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

9. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. Each Restricted Stock Unit grant will be evidenced by an Award Agreement that will specify such other terms and conditions as the Administrator, in its sole discretion, will determine in accordance with the terms and conditions of the Plan, including all terms, conditions, and restrictions related to the grant, the number of Restricted Stock Units and the form of payout, which, subject to Section 9(d) hereof, may be left to the discretion of the Administrator.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. After the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any restrictions for such Restricted Stock Units. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the vesting criteria, and such other terms and conditions as the Administrator, in its sole discretion will determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed, subject to the prohibition on acceleration of the timing of distribution of deferred compensation subject to Section 409A of the Code, to the extent applicable to the Award.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as specified in the Award Agreement.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement, which shall satisfy the requirements of Section 409A of the Code, to the extent applicable to such Award. The Administrator, in its sole discretion, may pay earned Restricted Stock Units in cash, Shares, or a combination thereof. Shares represented by Restricted Stock Units that are fully paid in cash again will be available for grant under the Plan.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units/Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis determined by the Administrator in its discretion. Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period or, if earlier, after the date on which a Participant's interest in such Performance Units/Shares is no longer subject to a substantial risk of forfeiture, provided however, that in no event shall such payment be made after the later to occur of (i) December 31 of the year in which such risk of forfeiture lapses or (ii) two and one-half months after such risk of forfeiture lapses. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Leaves of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Service Provider will not cease to be an Employee in the case of (i) any leave of absence approved by the Company, or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months and one day following the commencement of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

12. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, (iii) to a revocable trust, or (iv) as permitted by Rule 701 of the Securities Act of 1933, as amended.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits set forth in Sections 3, 6, 7, 8, 9 and 10 hereof.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any corporate separation or division, including, but not limited to, a split-up, a split-off or a spin-off; a reverse merger in which the Company is the surviving entity, but the shares of Company stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise; or the transfer of more than fifty percent (50%) of the then outstanding voting stock of the Company to another person or entity. the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Company, to the extent permitted by applicable law but otherwise in its sole discretion may provide for: (i) the continuation Awards by the Company (if the Company is surviving entity or its parent; (ii) the assumption of the Plan and such outstanding Awards by the surviving entity or its parent; (iii) the substitution by the surviving entity or its parent of rights with substantially the same terms for such outstanding Awards; or (iv) the cancellation of such outstanding Rights without payment of any consideration provided that in the case of this clause (iv), the Administrator will provide notice of its intention to cancel Award and offer a reasonable opportunity to exercise vested Awards.

(c) Change in Control. In the event of a merger or Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that each Award will be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation (the "Successor Corporation"). The Administrator will not be required to treat all Awards similarly in the transaction.

In the event that the Successor Corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock will lapse, and, with respect to Restricted Stock Units, Performance Shares and Performance Units, all Performance Goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted for in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) or, in the case of a Stock Appreciation Right upon the exercise of which the Administrator determines to settle in cash or a Performance Share or Performance Unit which the Administrator can determine to settle in cash, the fair market value of the consideration received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Performance Share or Performance Unit, for each Share subject to such Award (or in the case of Performance Units, the number of implied shares determined by dividing the value of the Performance Units by the per share consideration received by holders of Common Stock in the Change in Control), to be solely common stock of the Successor Corporation equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 13(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the Successor Corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

14. Tax Withholding

(a) Withholding Requirements. At any time prior to or following the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

15. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

16. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. Subject to Section 21 hereof, the Plan will become effective upon its adoption by the Board (the "Effective Date"). It will continue in effect for a term of ten (10) years unless terminated earlier under Section 18 hereof; provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of this Plan shall continue to apply to such Awards.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. Subject to Section 21, the Company will obtain stockholder approval of the Plan and any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

19. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Restrictive Legends. All Award Agreements and all securities of the Company issued pursuant thereto shall bear such legends regarding restrictions on transfer and such other legends as the appropriate officer of the Company shall determine to be necessary or advisable to comply with applicable securities and other laws.

20. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

21. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws, including without limitation Section 422 of the Code. In the event that stockholder approval is not obtained within twelve (12) months after the date the Plan is adopted by the Board, all Incentive Stock Options granted hereunder shall be void *ab initio* and of no effect. Notwithstanding any other provisions of the Plan, no Awards shall be exercisable until the date of such stockholder approval.

22. Notification of Election Under Section 83 of the Code. If any Service Provider shall, in connection with the acquisition of Shares under the Plan, make an election permitted under either Section 83(b) or Section 83(i) of the Code, such Service Provider shall notify the Company of such election within ten (10) days of filing notice of the election with the Internal Revenue Service and provide the Company with a copy thereof, in addition to any filing and a notification required pursuant to regulations issued under the authority of Sections 83(b) or 83(i) of the Code, as applicable. A Service Provider shall not be permitted to make a Section 83(b) election with respect to an Award of a Restricted Stock Unit.

23. Notification Upon Disqualifying Disposition Under Section 421(b) of the Code. Each Service Provider shall notify the Company of any disposition of Shares issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), within ten (10) days of such disposition.

24. 409A Timing Rule for Specified Employees. If at the time of a Service Provider's separation from service, such individual is considered a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, and if any payment that such Service Provider becomes entitled to under the Plan or any Award is deemed payable on account of such individual's separation from service, then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the individual's separation from service, or (ii) the individual's death.

25. Governing Law. The law of the State of Nevada shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of laws rules, subject to the Company's intention that the Plan satisfy the requirements of jurisdictions outside of the United States of America with respect to Awards subject to such jurisdictions.

26. General Provisions.

(a) No Rights as Stockholder. Except as specifically provided in this plan, a Participant or a transferee of an Award shall have no rights as a stockholder with respect to any shares covered by the Award until the date of the issuance of such shares to the Participant, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Stock is issued.

(b) Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(c) Disqualifying Dispositions. Any participant who shall make a "disposition" (as defined in Section 424 of the Code) of all or any portion of an Incentive Stock Option within two (2) years from the date of grant of such Incentive Stock Option or within (1) year after the issuance of the shares of Stock acquired upon exercise of such Incentive Stock Option shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Stock.

(d) Regulatory Matters Each Stock Option Agreement and Stock Purchase Agreement shall provide that no shares shall be purchased or sold thereunder unless and until (i) any then applicable requirements of state or federal laws and regulatory agencies shall have been fully compiled with to the satisfaction of the Company and its counsel and (ii) if required to do so by the Company, the Optionee or Offeree shall have executed and delivered to the Company a letter of investment intent in such form and containing such provisions as the Board or Committee may require.

(e) Delivery. Upon exercise of an Award granted under this Plan, the Company shall issue Stock or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory obligations the Company may otherwise have, for purposes of this Plan, thirty days shall be considered a reasonable period of time.

(f) Other Provisions. The Stock Option Agreements and Stock Purchase Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Rights, as the Administrator may deem advisable.

(g) Section 409A. Awards under the Plan are intended either to be exempt from the rules of Section 409A of the Code or to satisfy those rules, and the Plan and such awards shall be construed accordingly. Granted rights may be modified at any time, in the Administrator's direction, so as to increase the likelihood of exemption from or compliance with the rules of Section 409A of the Code.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "Agreement") is entered into by and between **iPower, Inc.**, a Nevada corporation having its principal place of business at 2399 Bateman Avenue, Duarte, California 91010 (the "Company") on the one hand, and **D.A. Davidson & Co.**, with a place of business listed on the signature page hereto ("D.A. Davidson"), **Roth Capital Partners, LLC**, with a place of business listed on the signature page hereto, and **US Tiger Securities, Inc.**, with a place of business listed on the signature page hereto (individually an "Underwriter" and together "the Underwriters") on the other hand effective as of April 26, 2021 ("Effective Date").

RECITALS

The Company is negotiating to enter into a certain Underwriting Agreement with D.A. Davidson as representative of the Underwriters (the "Underwriting Agreement"). On or about August 31, 2020, the Company (then known as BZRTH Inc.) entered into a letter agreement with Boustead Securities, LLC ("Boustead") entitled "Proposed Pre-IPO Offering, IPO and Corporate Finance Transactions" (the "Boustead Agreement"). No later than February 2021, the Company informed D.A. Davidson that it had effectively terminated the Boustead Agreement. On April 15, 2021, the Company provided formal written notice to Boustead that it was terminating the Boustead Agreement. On April 16, 2021, Boustead informed the Company of its contention that the Company breached the terms of the Boustead Agreement.

This Agreement supplements, but does not replace, any other agreements between the parties, whether entered into before or after the Effective Date.

AGREEMENT

In consideration of the mutual promises made in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Company and the Underwriters hereby agree as follows:

1. **Defined Terms and Phrases.** For purposes of this Agreement, the following terms shall have the following meanings:

(a) "Expenses" shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including all attorneys' fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of private investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, fax transmission charges, secretarial services and all other disbursements, obligations or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settlement or appeal of, or otherwise participating in a Proceeding. Expenses also shall include any of the forgoing expenses incurred in connection with any appeal resulting from any Proceeding, including the principal, premium, security for, and other costs relating to any costs bond, supersedes bond, or other appeal bond or its equivalent. Expenses also shall include any interest, assessment or other charges imposed thereon and costs incurred in preparing statements in support of payment requests hereunder. Expenses further include all amounts paid in settlement by Indemnitee and/or the amount of any judgments or fines against Indemnitee.

(b) "Indemnitee(s)" shall mean an Underwriter together with their parents, affiliates, agents and subsidiaries and shall include each of their officers, directors, employees and consultants.

(c) "Proceeding" shall include any actual, threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by Boustead or any equity owner, officer or director or assignee of Boustead, a government agency, or the Company, whether in the right of the Company or otherwise, and whether of a civil (including intentional or unintentional tort claims), administrative, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which one or more Indemnitee or any Indemnified Party was, is, will or might be involved as a party, non-party witness, recipient of a subpoena or document request, or otherwise by reason of any action (or failure to act) taken by the Company in connection with or related to the Boustead Agreement or the Company's dealing with Boustead.

2. **Indemnification.** To the fullest extent permitted by applicable law, the Company hereby agrees that it shall indemnify and defend the Indemnitee if the Indemnitee was or is o be made, a party to or a participant (as a witness or otherwise) in any Proceeding, against all Expenses and judgments, fines and amounts paid in settlement or actually incurred by the Indemnitee in connection with such Proceeding. Company hereby approves the engagement of the law firm of Orrick, Herrington & Sutcliffe LLP in connection with any Proceeding hereunder and/or such other law firm as an Indemnitee reasonably engages. Company shall advance all Expenses therefore in accordance with the terms and conditions hereof. Company acknowledges and agrees that, while Company shares a common interest in the Proceeding, it shall not be represented by counsel engaged by any Indemnitee.

3. **Indemnification Procedure.**

(a) **Reimbursement of Expenses.** To the fullest extent permitted by applicable law, the Company shall reimburse Indemnitee for all Expenses actually and reasonably incurred by Indemnitee in connection with a Proceeding within thirty (30) days after receipt by the Company of a statement requesting such reimbursement from time to time, whether prior to or after final disposition of any Proceeding. Such reimbursement shall include payment of any retainers requested by counsel or other third party engaged by Indemnitee in connection with a Proceeding and all reimbursement requests shall be accompanied by invoices or other statements evidencing such Expenses. Such reimbursement payments shall be unsecured and interest free and shall be made without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Indemnitee shall be entitled to continue to receive reimbursement of Expenses pursuant to this Section 3(a) unless and until the matter of Indemnitee's entitlement to indemnification hereunder has been finally adjudicated by court order or judgment from which no further right of appeal exists. If, and to the extent that, it ultimately is determined that Indemnitee is not entitled to be indemnified by the Company under the other provisions of this Agreement, Indemnitee shall not be required to refund to or repay the Company for any Expenses incurred and reimbursed by the Company.

(b) **Notice and Cooperation by Indemnitee.** Indemnitee shall notify the Company in writing upon being served with any summons, subpoena, or complaint for which indemnification will be sought under this Agreement. In addition, Indemnitee shall give the Company such additional information related to the Proceeding as the Company may reasonably request. Indemnitee's failure to so notify, provide information and otherwise cooperate with the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement, except to the extent that the Company is actually adversely affected by such failure.

(c) **Payment Directions.** To the extent payments are required to be made hereunder, the Company shall, in accordance with Indemnitee's request (but without duplication), (i) pay such Expenses on behalf of Indemnitee, or (ii) reimburse Indemnitee for such Expenses. Orrick, Herrington & Sutcliffe and/or such other counsel as an Indemnitee reasonable engages shall submit invoices separately to the Company.

(d) **Notice to Insurers.** If, at the time of the receipt of a notice of a claim pursuant to Section 3(b) hereof, the Company has insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(e) **Settlement Discussions**. Indemnitee shall have approval authority over any settlement reached between Company and any claimant in any Proceeding in which the Indemnitee is involved as a defendant; which approval shall not be unreasonably withheld or delayed. Indemnitees also have full rights to settle or otherwise resolve the Proceeding on their own behalf as well; provided, that to the extent that the Company is obligated to indemnify Indemnitees with respect to any such settlement, the Company shall have approval authority over any settlement; such approval not to be unreasonably withheld or delayed .

4. **Attorneys' Fees.** In the event that any litigation is instituted by an Indemnitee under this Agreement to enforce or interpret any of the terms hereof, the Company shall indemnify such Indemnitee against all Expenses actually and reasonably incurred by Indemnitee and the Indemnified Parties in connection with such litigation, unless a court of competent jurisdiction determines that each of the material assertions made by the Indemnitee as a basis for such litigation were not made in good faith or were frivolous. In the event of litigation instituted by or in the name of the Company under this Agreement or to enforce or interpret any of the terms of this Agreement, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by the Indemnitees in connection with such litigation (including with respect to Indemnitees' counterclaims and cross-claims made in such action), unless a court of competent jurisdiction determines that each of Indemnitee's material defenses to such action were made in bad faith or were frivolous.

5. **Miscellaneous.**

(a) **Governing Law.** This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

(b) **Supplemental Agreement; Binding Effect.** The indemnification provided under this Agreement applies with respect to events occurring before or after the effective date of this Agreement and shall continue to apply even after any termination or expiration of any other Agreement between the parties. This Agreement supplements, but does not replace, any other agreement between the parties.

(c) **Representations and Warranties.** The Company and Indemnitees each represent and warrant that they have the authority to enter into this agreement.

(d) **Amendments and Waivers.** No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

(e) **Notices.** Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or sent by email or 48 hours after being sent by nationally-recognized courier or deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed to the party to be notified at such party's address as set forth below or as subsequently modified by written notice.

(f) **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

(g) **Successors and Assigns.** This Agreement shall be binding upon the Company and its successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company) and assigns, and inure to the benefit of the Indemnitees and the Indemnified Parties and each of their successors and assigns. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitees, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(h) **Company Position.** The Company shall be precluded from asserting, in any litigation brought for purposes of establishing, enforcing or interpreting any right to indemnification under this Agreement, that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement and is precluded from making any assertion to the contrary.

(i) **Remedies.** If any action at law or in equity is necessary to enforce or interpret the terms of any of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

[Signature Page Follows]

The parties have executed this Agreement as of the date first set forth above.

THE COMPANY:

iPower, Inc.
2399 Bateman Avenue
Duarte, CA 91010

By: /s/ Kevin Vassily
(Signature)

Name: Kevin Vassily

Title: Chief Financial Officer

INDEMNITEE:

D.A. Davidson & Co.
611 Anton Blvd., Suite 600
Costa Mesa, CA 92626

By: /s/ Joe Schimmelpfennig
(Signature)

Name: Joe Schimmelpfennig

Title: Managing Director

INDEMNITEE:

Roth Capital Partners, LLC
888 San Clemente Drive
Newport Beach, CA 92660

By: /s/ Hershel Gerson
(Signature)

Name: Hershel Gerson

Title: Managing Director

INDEMNITEE:

US Tiger Securities, Inc.
437 Madison Avenue, 27th Floor
New York, New York 10022

By: /s/ Tony Tian
(Signature)

Name: Tony Tian

Title: Head of ECM

INDEMNIFICATION AND LOCK-UP AGREEMENT

iPOWER INC.
2399 Bateman Avenue
Duarte, CA 91010

D.A. DAVIDSON & CO.
As representative of the several Underwriters
named in Schedule I hereto
611 Anton Blvd., Suite 600
Costa Mesa, CA 92626

Ladies and Gentlemen:

ARTICLE I. **Indemnification Agreement.**

In connection with the proposed Underwriting Agreement with D.A. Davidson as representative of the Underwriters referred to below, iPower Inc., a Nevada corporation (the "**Company**"), the undersigned have each advised you that on or about August 31, 2020, the Company (then known as BZRTH Inc.) entered into a letter agreement with Boustead Securities, LLC ("**Boustead**") entitled "Proposed Pre-IPO Offering, IPO and Corporate Finance Transactions" (the "**Boustead Agreement**"). No later than February 2021, the Company informed D.A. Davidson that it had effectively terminated the Boustead Agreement. On April 15, 2021, the Company provided formal written notice to Boustead that it was terminating the Boustead Agreement. On April 16, 2021, counsel to Boustead advised the Company that they believed our termination of the Engagement Agreement was improper and threatened to seek immediate judicial intervention to obtain injunctive relief and damages. On April 21, 2021, the Company's special litigation counsel responded to such allegations and threats, refuting Boustead's claims. On April 23, 2021, counsel to Boustead provided written notice stating that, subject to the size of our initial public offering, they believe they will be entitled to up to $3.5 million in addition to warrants. We sometimes refer to the foregoing herein as the "**Boustead Dispute**."

This will further acknowledge that the undersigned, Chenlong Tan, owns of record and beneficially an aggregate of 8,023,334 shares of the Common Stock of the Company, representing in the aggregate approximately 37.14% of the outstanding shares of Common Stock.

Reference is made to an indemnification agreement, dated April 27, 2021 between the Company and the Underwriters referred to below (the "**Company Indemnification Agreement**"), pursuant to which, inter alia, the Company agreed to indemnify the "Indemnitees" named therein in connection with any "Proceeding," against all "Expenses" and judgments, fines and amounts paid in settlement or actually incurred by the Indemnitee in connection with such Proceeding. Unless otherwise defined in this Agreement all capitalized terms, when used herein shall have the same meaning as they are defined in the Company Indemnification Agreement.

In order to provide the Company with reasonable assurances that the Company will not be required to pay any such judgments, fines and amounts paid or actually incurred by the Company or an Indemnitee in connection with such Proceeding or in connection with any settlement agreement entered into by the Company or an Indemnitee with Boustead (each a "**Company Payment**"), the undersigned hereby agrees as follows:

1. The undersigned shall reasonably promptly reimburse the Company in the manner hereinafter set forth for any Company Payment up to a maximum amount of $3,500,000 (the "**Reimbursement Amount**").

2. Except as set forth in Section 4 below, it is contemplated and agreed by the parties that the sole source of funds by which the undersigned shall make payment of the Reimbursement Amount shall be through the sale of up to 400,000 shares of Company Common Stock owned by the undersigned (the "**Subject Shares**").

3. Notwithstanding the lockup provisions of Article II of this Agreement, until the earliest to occur of (a) a final determination by a court of competent jurisdiction from which no appeal has or can be taken with respect to any Proceeding related to the Boustead Dispute, (b) a final settlement agreement is entered into by the Company or any Indemnitee named in a Proceeding with respect to such Boustead Dispute, and (c) five (5) years from the date of the closing of the Company's initial public offering (either, a "Final Determination"), the undersigned shall not (and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned's household, any partnership, corporation or other entity within the undersigned's control, and any trustee of any trust that holds Common Stock or other securities of the Company for the benefit of the undersigned or such spouse or family member not to) (i) offer, sell, contract to sell (including any short sale), pledge, hypothecate, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, grant any option, right or warrant for the sale of, purchase any option or contract to sell, sell any option or contract to purchase, or otherwise encumber, dispose of or transfer, or grant any rights with respect to, directly or indirectly, any shares of Common Stock or securities convertible into or exchangeable or exercisable for the 400,000 Subject Shares, (ii) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of 400,000 Subject Shares, whether any such transaction described in clause (i) or (ii) is to be settled by delivery of 400,000 Subject Shares, in cash or otherwise, (iii) make any demand for or exercise any right with respect to the registration of 400,000 Subject Shares or (iv) publicly disclose the intention to do or cause any of the foregoing.

4. The undersigned shall pay to the Company any portion of the Reimbursement Amount solely from one or more sales by the undersigned of 400,000 Subject Shares out of an aggregate of 8,023,334 shares of the Common Stock of the Company owned by the undersigned provided, however, that in the event that the amount of Subject Shares (less any Subject Shares previously sold to fund reimbursement of a prior Company Payment) are of insufficient value to fund the full reimbursement of a Company Payment (up to the Reimbursement Amount) at the time of such payment, the undersigned agrees to reasonably promptly sell additional shares of Common Stock of the Company then owned by the undersigned in an amount sufficient to fully reimburse such Company Payment (up to the Reimbursement Amount), it being understood that the only source of payment for the Reimbursement shall be through the sale of the Subject Shares and any other shares of the Company owned by the undersigned. However, in the event that for any reason the undersigned is unable to sell additional shares of the Company when a Company Payment is due, then, at the option of the undersigned, he may elect to use other liquid resources, if then available to him, to make such payment. In the event that a Final Determination of the Boustead Dispute shall occur prior to the expiration of the Lockup Period described in Article II below, the undersigned shall, subject to compliance with applicable securities laws and the terms of Article II below, effect one or more sale of such Subject Shares promptly following the expiration of the Lockup Period;.

5. In the event that a Proceeding has not be instituted by May 31, 2021 and the Underwriting Agreement has not been signed by May 31, 2021, unless such date shall be extended by mutual agreement of the Company, D.A. Davidson & Co. and the undersigned, all of the provisions of this Article I shall terminate and be of no further force or effect.

ARTICLE II. **Lockup Agreement.**

The undersigned refers to the proposed Underwriting Agreement (the "**Underwriting Agreement**") among iPower Inc., a Nevada corporation (the "**Company**"), and the several underwriters named therein (the "**Underwriters**"). As an inducement to the Underwriters to execute the Underwriting Agreement in connection with the proposed public offering (the "**Offering**") of shares of the Company's common stock, par value $0.001 per share ("**Common Stock**"), pursuant to a Registration Statement on Form S-1, the undersigned hereby agrees that from the date hereof and until 180 days after the public offering date set forth on the final prospectus used to sell the Common Stock (the "**Public Offering Date**") pursuant to the Underwriting Agreement (such 180-day period being referred to herein as the "**Lock-Up Period**"), the undersigned will not (and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned's household, any partnership, corporation or other entity within the undersigned's control, and any trustee of any trust that holds Common Stock or other securities of the Company for the benefit of the undersigned or such spouse or family member not to) (1) offer, sell, contract to sell (including any short sale), pledge, hypothecate, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, grant any option, right or warrant for the sale of, purchase any option or contract to sell, sell any option or contract to purchase, or otherwise encumber, dispose of or transfer, or grant any rights with respect to, directly or indirectly, any shares of Common Stock or securities convertible into or exchangeable or exercisable for any shares of Common Stock (collectively, the "**Lock-Up Securities**"), (2) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-Up Securities, whether any such transaction described in clause (1) or (2) is to be settled by delivery of the Lock-Up Securities, in cash or otherwise, (3) make any demand for or exercise any right with respect to the registration of the Lock-Up Securities or (4) publicly disclose the intention to do or cause any of the foregoing, without, in each case, the prior written consent of D.A. Davidson & Co. ("**D.A. Davidson**"), which consent may be withheld in D.A. Davidson's sole discretion; *provided*, *however*, that if (i) during the last [17] days of the initial Lock-Up Period, the Company releases earnings results or material news or a material event relating to the Company occurs or (ii) prior to the expiration of the initial Lock-Up Period, the Company announces that it will release earnings results during the [16]-day period beginning on the last day of the initial Lock-Up Period, then in each case the Lock-Up Period will be automatically extended until the expiration of the [18]-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless D.A. Davidson waives, in writing, such extension. The undersigned acknowledges and agrees that the foregoing precludes the undersigned from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale or disposition or transfer (whether by the undersigned or any other person) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any Lock-Up Securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Lock-Up Securities, in cash or otherwise.

The undersigned hereby acknowledges and agrees that written notice of any extension of the Lock-Up Period pursuant to the previous paragraph will be delivered by D.A. Davidson to the Company (in accordance with Section 5(k) of the Underwriting Agreement) and that any such notice properly delivered will be deemed to have been given to, and received by, the undersigned. The undersigned further agrees that, prior to engaging in any transaction or taking any other action that is subject to the terms of this lock-up agreement during the period from the date of this lock-up agreement to and including the [34th] day following the expiration of the initial Lock-Up Period, it will give notice thereof to D.A. Davidson and will not consummate such transaction or take any such action unless it has received written confirmation from D.A. Davidson that the Lock-Up Period (as may have been extended pursuant to the previous paragraph) has expired.

Notwithstanding the foregoing, the undersigned may transfer the undersigned's Lock-Up Securities without the prior written consent of the Representative:

(i) provided that (a) such transfer shall not involve a disposition for value, (b) each resulting transferee of the Company's securities executes and delivers to the Representative an agreement satisfactory to the Representative certifying that such transferee is bound by the terms of this lock-up agreement and has been in compliance with the terms hereof since the date first above written as if it had been an original party hereto, (c) no filing by any party under Section 16(a) of the Exchange Act shall be required or shall be made voluntarily in connection with such transfer:

a. as a bona fide gift or gifts;

b. to any trust or other entity for the direct or indirect benefit of the undersigned or the immediate family (parents, children or siblings) of the undersigned;

c. if the undersigned is a corporation, partnership, limited liability company, trust or other business entity and (1) transfers to another corporation, partnership, limited liability company, trust or other business entity that is a direct or indirect affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned or (2) distributes the Lock-Up Securities to limited partners, limited liability company members or stockholders of the undersigned, or to any investment fund or other entity that controls or manages the undersigned;

(ii) via transfer by testate succession or intestate succession;

(iii) if the undersigned is an employee of the Company and transfers to the Company upon death, disability or termination of employment of such employee; or

(iv) pursuant to an order of a court or regulatory agency.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing restrictions shall be equally applicable to any issuer-directed or "friends and family" shares of Common Stock that the undersigned may purchase in the proposed public offering; (ii) D.A. Davidson agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of the Lock-Up Securities, D.A. Davidson will notify the Company of the impending release or waiver, and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by D.A. Davidson hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this lock-up agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

In addition, the undersigned agrees that, during the period commencing on the date hereof and ending 180 days after the Public Offering Date, without the prior written consent of D.A. Davidson (which consent may be withheld in its sole discretion): (a) the undersigned will not request, make any demand for or exercise any right with respect to, the registration of any Common Stock or any security convertible into or exercisable or exchangeable for Common Stock and (b) the undersigned waives any and all notice requirements and rights with respect to the registration of any such security pursuant to any agreement, understanding or otherwise to which the undersigned is a party.

In furtherance of the foregoing, the Company and its transfer agent and registrar are hereby authorized to (a) decline to make any transfer of shares of Common Stock if such transfer would constitute a violation or breach of this lock-up agreement and (b) place legends and stop transfer instructions on any such shares of Common Stock owned or beneficially owned by the undersigned. The undersigned understands that the Company and the Underwriters are relying upon this lock-up agreement in proceeding toward consummation of the Offering. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this lock-up agreement. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding on the undersigned and the successors, heirs, personal representatives and assigns of the undersigned.

The undersigned understands that, if (1) the Underwriting Agreement is not executed by [May 31, 2021], (2) the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the shares of Common Stock to be sold thereunder, or (3) D.A. Davidson, on the one hand, or the Company, on the other hand, advises the other, prior to the execution of the Underwriting Agreement, that it has determined not to proceed with the Offering, then this lock-up agreement shall be void and of no further force or effect.

This lock-up agreement and any claim, controversy or dispute arising under or related to this lock-up agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to choice of law rules.

This lock-up agreement may be delivered via facsimile, electronic mail (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com or www.echosign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

Very truly yours,

/s/ Chenlong Tan
Printed Name: Chenlong Tan
Date: April 27, 2021

Accepted and Agreed to this
27th day of April 2021:

iPower Inc.

By: /s/ Kevin Vassily
Kevin Vassily, Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the inclusion in this Registration Statement of iPower, Inc. (f/k/a BZRTH, Inc.) (the "Company") on Form S-1 of our report dated November 23, 2020, except for Notes 4, 11, 12 and 15 as to which the date is January 11, 2021; and Notes 8 and 15 as to which the date is February 1, 2021, with respect to our audits of the Company's consolidated and combined financial statements as of June 30, 2020 and 2019, which appears in this Registration Statement on Form S-1. We also consent to the reference to our Firm under the caption "Experts" in such Prospectus.

/s/ UHY LLP

New York, New York
May 5, 2021