

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

or

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

For the transition period from _____ to _____

Commission File Number 001-40391

iPower Inc.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

82-5144171

(I.R.S. Employer Identification No.)

8798 9th Street

Rancho Cucamonga, CA 91730

(Address of principal executive offices) (Zip Code)

(626) 863-7344

(Registrant's telephone number, including area code)

N/A

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	IPW	The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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

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

The number of shares outstanding of the registrant's common stock on November 14, 2025 was 1,049,799.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
As of September 30, 2025 and June 30, 2025

	September 30, 2025 (Unaudited)	June 30, 2025
ASSETS		
Current assets		
Cash and cash equivalent	\$ 903,975	\$ 2,007,890
Accounts receivable, net	5,106,192	6,124,008
Inventories, net	4,332,605	8,131,203
Prepayments and other current assets, net	1,491,528	3,111,210
Total current assets	<u>11,834,300</u>	<u>19,374,311</u>
Non-current assets		
Right of use assets - non-current	3,603,165	3,915,539
Property and equipment, net	350,972	390,349
Deferred tax assets, net	3,916,706	3,724,462
Goodwill	3,034,110	3,034,110
Investment in joint ventures	678,706	385,180
Intangible assets, net	2,818,986	2,981,328
Other non-current assets	2,355,349	1,837,488
Total non-current assets	<u>16,757,994</u>	<u>16,268,456</u>
Total assets	<u>\$ 28,592,294</u>	<u>\$ 35,642,767</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable, net	3,603,377	7,180,009
Other payables and accrued liabilities	1,176,041	1,893,921
Lease liabilities - current	1,389,834	1,361,111
Short-term loan payable - related party	500,000	-
Revolving loan payable, net	1,449,438	3,737,602
Income taxes payable	-	280,155
Total current liabilities	<u>8,118,690</u>	<u>14,452,798</u>
Non-current liabilities		
Lease liability - non-current	<u>2,556,104</u>	<u>2,913,967</u>
Total non-current liabilities	<u>2,556,104</u>	<u>2,913,967</u>
Total liabilities	<u>10,674,794</u>	<u>17,366,765</u>
Commitments and contingency	-	-
Stockholders' Equity		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding at September 30, 2025 and June 30, 2025	-	-
**Common stock, \$0.001 par value; 180,000,000 shares authorized; 1,049,790 and 1,045,330 shares issued and outstanding at September 30, 2025 and June 30, 2025	1,050	1,045
Additional paid in capital	33,631,399	33,481,201
Accumulated deficits	(15,732,537)	(15,198,889)
Non-controlling interest	(47,462)	(47,462)
Accumulated other comprehensive loss (income)	65,050	40,107
Total stockholders' equity	<u>17,917,500</u>	<u>18,276,002</u>
Total liabilities and stockholders' equity	<u>\$ 28,592,294</u>	<u>\$ 35,642,767</u>

**Unless otherwise indicated, all shares of common stock and per share numbers in the unaudited condensed consolidated financial statements and notes below have been adjusted retroactively to reflect the 1-for-30 reverse stock split effected on October 27, 2025, for all periods presented (see Note 14 for details).

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

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
For the Three Months Ended September 30, 2025 and 2024

	For the Three Months Ended September 30,	
	2025	2024
REVENUES		
Product sales	\$ 10,484,661	\$ 18,275,412
Service income	1,532,806	733,109
Total revenues	<u>12,017,467</u>	<u>19,008,521</u>
COST OF REVENUES		
Product costs	5,878,262	9,917,448
Service costs	1,332,681	603,176
Total cost of revenues	<u>7,210,943</u>	<u>10,520,624</u>
GROSS PROFIT	<u>4,806,524</u>	<u>8,487,897</u>
OPERATING EXPENSES:		
Selling and fulfillment	5,180,190	5,914,808
General and administrative	1,321,513	5,319,523
Total operating expenses	<u>6,501,703</u>	<u>11,234,331</u>
LOSS FROM OPERATIONS	<u>(1,695,179)</u>	<u>(2,746,434)</u>
OTHER INCOME (EXPENSE)		
Interest expenses	(61,719)	(139,962)
Loss on equity method investments	—	(919)
Loss on deconsolidation of VIE	(39,624)	—
Other non-operating income	799,290	218,686
Total other income, net	<u>697,947</u>	<u>77,805</u>
LOSS BEFORE INCOME TAXES	<u>(997,232)</u>	<u>(2,668,629)</u>
PROVISION FOR INCOME TAX BENEFIT	<u>(463,584)</u>	<u>(636,512)</u>
NET LOSS	<u>(533,648)</u>	<u>(2,032,117)</u>
Non-controlling interest	—	(2,836)
NET LOSS ATTRIBUTABLE TO IPOWERS INC.	<u>\$ (533,648)</u>	<u>\$ (2,029,281)</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Foreign currency translation adjustments	24,943	(55,054)
COMPREHENSIVE LOSS ATTRIBUTABLE TO IPOWERS INC.	<u>\$ (508,705)</u>	<u>\$ (2,084,335)</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK		
Basic**	<u>1,049,595</u>	<u>1,047,240</u>
Diluted**	<u>1,049,595</u>	<u>1,047,240</u>
LOSSES PER SHARE		
Basic	<u>\$ (0.51)</u>	<u>\$ (1.94)</u>
Diluted	<u>\$ (0.51)</u>	<u>\$ (1.94)</u>

***Unless otherwise indicated, all share of common stock and per share numbers in the unaudited condensed consolidated financial statements and notes below have been adjusted retroactively to reflect the 1-for-30 reverse stock split effected on October 27, 2025, for all periods presented (see Note 14 for details).*

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

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
For the Three Months Ended September 30, 2025 and 2024

	**Common Stock		Additional Paid in Capital	Retained Earnings (Accumulated Deficit)	Non- controlling interest	Accumulated other Comprehensive income (loss)	Total
	Shares	Amount					
Balance, June 30, 2025	1,045,330	\$ 1,045	\$ 33,481,201	\$ (15,198,889)	\$ (47,462)	\$ 40,107	\$ 18,276,002
Net loss	–	–	–	(533,648)	–	–	(533,648)
Stock-based compensation	–	–	150,203	–	–	–	150,203
Restricted shares issued for vested RSUs	4,460	5	(5)	–	–	–	–
Foreign currency translation adjustments	–	–	–	–	–	24,943	24,943
Balance, September 30, 2025, Unaudited	<u>1,049,790</u>	<u>\$ 1,050</u>	<u>\$ 33,631,399</u>	<u>\$ (15,732,537)</u>	<u>\$ (47,462)</u>	<u>\$ 65,050</u>	<u>\$ 17,917,500</u>
Balance, June 30, 2024	1,045,330	\$ 1,045	\$ 33,494,199	\$ (10,230,601)	\$ (38,204)	\$ (210,406)	\$ 23,016,033
Net loss	–	–	–	(2,029,281)	(2,836)	–	(2,032,117)
Stock-based compensation	–	–	205,960	–	–	–	205,960
Foreign currency translation adjustments	–	–	–	–	–	(55,054)	(55,054)
Balance, September 30, 2024, Unaudited	<u>1,045,330</u>	<u>\$ 1,045</u>	<u>\$ 33,700,159</u>	<u>\$ (12,259,882)</u>	<u>\$ (41,040)</u>	<u>\$ (265,460)</u>	<u>\$ 21,134,822</u>

***Unless otherwise indicated, all share of common stock and per share numbers in the unaudited condensed consolidated financial statements and notes below have been adjusted retroactively to reflect the 1-for-30 reverse stock split effected on October 27, 2025, for all periods presented (see Note 14 for details).*

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

iPower Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
For the Three Months Ended September 30, 2025 and 2024

	For the Three Months Ended September 30, 2025 and 2024	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (533,648)	\$ (2,032,117)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:		
Depreciation and amortization expense	198,203	196,558
Inventory reserve	58,453	288,474
Credit loss reserve	49,713	1,475,594
Loss on equity method investment	–	919
Stock-based compensation expense	150,203	205,960
Gain on foreign currency exchange rates	–	(182,188)
Loss on deconsolidation of VIE	39,624	–
Amortization of operating lease right of use assets	312,374	522,538
Amortization of debt premium / discount and non-cash financing costs	–	66,305
Change in operating assets and liabilities		
Accounts receivable	968,103	986,317
Inventories	3,740,145	1,589,302
Deferred tax assets	(192,244)	(644,920)
Prepayments and other current assets, net	1,619,401	(619,099)
other non-current assets	65,772	132,841
Accounts payable	(3,476,465)	(2,874,417)
Other payables and accrued liabilities	(703,876)	4,034
Operating lease liabilities	(329,140)	(541,549)
Income taxes payable	(280,155)	9,805
Net cash provided by (used in) operating activities	<u>1,686,463</u>	<u>(1,415,643)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Deconsolidation of VIE	(160,113)	–
Investment in joint venture	(293,526)	–
Prepayments for software development	(583,633)	(202,140)
Net cash used in investing activities	<u>(1,037,272)</u>	<u>(202,140)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of offering cost settlement	–	(325,000)
Proceeds from short-term loans - related party	500,000	–
Payments on short-term loans - related party	–	(483,599)
Proceeds from revolving loan	921,974	1,500,000
Payments on revolving loan	(3,200,000)	(4,000,000)
Net cash used in financing activities	<u>(1,778,026)</u>	<u>(3,308,599)</u>
EFFECT OF EXCHANGE RATE ON CASH	24,920	125,850
CHANGES IN CASH AND CASH EQUIVALENT	(1,103,915)	(4,800,532)
CASH AND CASH EQUIVALENT, beginning of period	<u>2,007,890</u>	<u>7,377,837</u>
CASH AND CASH EQUIVALENT, end of period	<u>\$ 903,975</u>	<u>\$ 2,577,305</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for income tax	\$ –	\$ –
Cash paid for interest	<u>\$ 72,304</u>	<u>\$ 55,743</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Right of use assets derecognized due to termination of operating leases	\$ –	\$ (374,737)

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

iPower Inc.
Notes to Unaudited Condensed Consolidated Financial Statements
As of September 30, 2025 and June 30, 2025 and for the Three Months Ended September 30, 2025 and 2024

Note 1 - Nature of business and organization

iPower Inc., formerly known as BZRTN Inc., a Nevada corporation (the “Company”), was incorporated on April 11, 2018. The Company is principally engaged in the marketing and sale of consumer home, garden and other products and accessories mainly in the North America.

On May 18, 2021, the Company acquired 100% of the equity ownership of its variable interest entity, E Marketing Solution Inc. (“E Marketing”), an entity incorporated in California and owned by one of the minority shareholders of the Company. As a result, E Marketing became the Company’s wholly owned subsidiary.

On May 18, 2021, the Company acquired 100% of the equity ownership of its variable interest entity, Global Product Marketing Inc. (“GPM”), an entity which was incorporated in the State of Nevada on September 4, 2020, and was owned by Chenlong Tan, the Company’s Chairman, CEO and President, and one of the majority shareholders of the Company. As a result, GPM became the Company’s wholly owned subsidiary.

On January 13, 2022, the Company entered into a joint venture agreement and formed a Nevada limited liability company, Box Harmony, LLC (“Box Harmony”), for the principal purpose of providing logistics services primarily for foreign-based manufacturers or distributors who desire to sell their products online in the United States, with such logistics services to include, without limitation, receiving, storing and transporting such products. The Company owns 40% of the equity interest in Box Harmony, retaining significant influence, but does not own a majority equity interest in or otherwise control Box Harmony. See details at Note 3 below.

On February 10, 2022, the Company entered into another joint venture agreement and formed a Nevada limited liability company, Global Social Media, LLC (“GSM”), for the principal purpose of creating a social media platform in order to provide content and services to assist businesses, including the Company and other businesses, in marketing their products. The Company owns 60% of the equity interest in GSM and controls its operations. See details at Note 3 below.

On February 15, 2022, the Company acquired 100% of the ordinary shares of Anivia Limited (“Anivia”), a corporation organized under the laws of the British Virgin Islands (“BVI”), in accordance with the terms of a share transfer framework agreement (the “Transfer Agreement”), dated February 15, 2022, by and between the Company, White Cherry Limited, a BVI company (“White Cherry”), White Cherry’s equity holders, Li Zanyu and Xie Jing (together with White Cherry, the “Sellers”), Anivia, Fly Elephant Limited, a Hong Kong company, Dayourenzai (Shenzhen) Technology Co., Ltd. (“DYRZ”), and Daheshou (Shenzhen) Information Technology Co., Ltd. (“DHS”). Anivia owns 100% of the equity of Fly Elephant Limited, which in turn owns 100% of the equity of DYRZ, a corporation located in the People’s Republic of China (“PRC”), which is a wholly foreign-owned enterprise (“WFOE”) of Fly Elephant Limited. The WFOE controls, through contractual arrangements summarized in Note 4 below, the business, revenues and profits of DHS, a company organized under the Laws of the PRC and located in Shenzhen, China. See details on Note 4 below.

On June 3, 2025, the Company entered into a joint venture agreement and formed a Nevada limited liability company, United Package NV, LLC (“United Package”), for the principal purpose of producing packaging materials to serve the rapidly growing demands of U.S. businesses seeking reliable, sustainable, and cost-effective supply chain solutions without reliance on offshore manufacturing. The Company owns approximately 44% of the equity interest in United Package, retaining significant influence, but does not own a majority equity interest in or otherwise control United Package. See details at Note 3 below.

On October 15, 2025, the Company executed an agreement (the “Restructuring Agreement”) with its subsidiaries to modify its corporate structure so that the Company’s consumer goods and logistics business be operated out of GPM. Pursuant to the Restructuring Agreement, the Company transferred its ownership in E Marketing and United Package to GPM. Execution of the Restructuring Agreement does not have any impact on the consolidated financial statements of the Company.

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 subsidiaries and VIE 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, 2026, 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 financial statements should be read in conjunction with the Company’s audited consolidated financial statements and the notes thereto included in the Annual Report for the year ended June 30, 2025, which are included in Form 10-K filed with the SEC on October 9, 2025.

Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries, E Marketing, GPM, GSM, and Anivia Limited and its subsidiaries and VIE, including Fly Elephant Limited, DYZ and DHS. All inter-company balances and transactions have been eliminated.

Emerging Growth Company Status

The company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart Our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

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

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. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ significantly from those estimates.

Foreign currency translation and transactions

The reporting and functional currency of iPower and its subsidiaries is the U.S. dollar (USD). iPower's WFOE and VIE in China uses the local currency, Renminbi ("RMB"), as its functional currency. Assets and liabilities of the VIE are translated at the current exchange rate as quoted by the People's Bank of China (the "PBOC") at the end of the period. Income and expense accounts are translated at the average translation rates and the equity accounts are translated at historical rates. Translation adjustments resulting from this process are included in accumulated other comprehensive income (loss) in the statement of changes in stockholders' equity. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in the results of operations as incurred.

The balance sheet amounts of the WFOE, with the exception of equity, on September 30, 2025, were translated at 7.119 RMB to \$1.00. The equity accounts were stated at their historical rates. The average translation rates applied to statements of operations and comprehensive income (loss) accounts for the three months ended September 30, 2025 was 7.157 RMB to \$1.00. Cash flows were also translated at average translation rates for the period and, therefore, amounts reported on the statement of cash flows would not necessarily agree with changes in the corresponding balances on the unaudited condensed consolidated balance sheet.

Cash and cash equivalents

Cash and cash equivalents consist of amounts held as cash on hand and financial institution and financial service company deposits.

From time to time, the Company may maintain bank balances in interest bearing accounts in excess of \$250,000, which is currently the maximum amount insured by the FDIC 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, which includes the amount withheld by sales channel partners and refundable to the Company. Based on historical and expected loss rate and status of negotiations with the sales channel partner, management reviews its accounts receivable balances each reporting period to determine if an allowance for credit loss is required.

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 its 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; or
- other objective evidence indicates non-collectability of the accounts receivable.

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 its 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. During the year ended June 30, 2025, the Company determined that the collectability of certain refundable amounts withheld by sales channel partners was remote so the Company recorded additional allowance for credit losses up to \$1,924,417. For the quarter ended September 30, 2025 and 2024, the credit losses was \$49,713 and \$1,475,594, respectively.

Equity method investment

The Company accounts for its ownership interest in Box Harmony, a 40% owned joint venture, and United Package NV LLC, a 44% owned joint venture, following the equity method of accounting, in accordance with ASC 323, Investments — Equity Method and Joint Ventures. Under this method, the carrying cost is initially recorded at cost and then increased or decreased by recording its percentage of gain or loss in Box Harmony's statement of operations and a corresponding charge or credit to the carrying value of the asset.

Variable interest entities

On February 15, 2022, the Company acquired 100% of the ordinary shares of Anivia and its subsidiaries, including DHS. Pursuant to the terms of the Agreements, the Company does not have direct ownership in DHS but is actively involved in DHS's operations as the sole manager to direct the activities and significantly impact DHS's economic performance. DHS's operational funding has been provided by the Company following the February 15, 2022 acquisition. During the term of the Agreements, the Company bears all the risk of loss and has the right to receive all of the benefits from DHS. As such, based on the determination that the Company is the primary beneficiary of DHS, in accordance with ASC 810-10-25-38A through 25-38J, DHS is considered a VIE of the Company and the financial statements of DHS have been consolidated from the date such control existed, February 15, 2022.

On August 4, 2025, the Company entered into a Variable Interest Entity (“VIE”) Contract Termination Agreement with the VIE, pursuant to which all VIE agreements were terminated. As a result, the Company no longer has a controlling financial interest in the VIE. In accordance with ASC 810-10-40, *Consolidation — Deconsolidation of a Subsidiary or Derecognition of a Group of Assets*, the Company deconsolidated the VIE as of the termination date.

Upon deconsolidation, the Company derecognized all assets and liabilities of the VIE from its consolidated balance sheet. Because the Company retains no ownership interest or continuing involvement in the VIE following the termination of the agreements, no retained interest was recognized.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. The Company accounts for goodwill under ASC Topic 350, *Intangibles-Goodwill and Other*.

Goodwill is not amortized but is reviewed for potential impairment on an annual basis, or if events or circumstances indicate a potential impairment, at the reporting unit level. The Company’s review for impairment includes an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill. If it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill, a quantitative goodwill impairment test is performed, which compares the fair value of the reporting unit with its carrying amounts, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. However, if the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

During the three months ended September 30, 2025 and 2024, the Company performed a qualitative goodwill impairment analysis following the steps laid out in ASC 350-20-35-3C and noted no goodwill impairment. As of September 30, 2025 and June 30, 2025, the goodwill balance amounted to \$3,034,110 and \$3,034,110, respectively.

Intangible assets

Finite life intangible assets at September 30, 2025 include covenant not to compete, supplier relationship, and software recognized as part of the acquisition of Anivia. Intangible assets are recorded at the estimated fair value of these items at the date of acquisition, February 15, 2022. Intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

	Useful Life
Covenant Not to Compete	10 years
Supplier relationship	6 years
Software	5 years

The Company reviews the recoverability of long-lived assets, including intangible assets, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations. The Company did not record any impairment charge for the three months ended September 30, 2025 and 2024.

Fair values of financial instruments

ASC 825, “Disclosures about Fair Value of Financial Instruments,” requires disclosure of fair value information about financial instruments. ASC 820, “Fair Value Measurements” defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements.

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and all other current assets and liabilities approximate fair values due to their short-term nature.

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 Company does not have any assets or liabilities measured at fair value on a recurring basis. We measure certain non-financial assets on a non-recurring basis, including goodwill. As a result of those measurements, as of September 30, 2025 and June 30, 2025, the Company had goodwill with a carry book value of \$3,034,110, which approximated its fair value:

	Total Fair Value	Level 1	Level 2	Level 3
Goodwill	\$ 3,034,110	\$ –	\$ –	\$ 3,034,110
Total	\$ 3,034,110	\$ –	\$ –	\$ 3,034,110

The fair value of goodwill was determined based on the discounted cash flow method, which is an income approach, which required the use of inputs that were unobservable in the marketplace (Level 3), including a discount rate that would be used by a market participant, projections of revenues and cash flows with the revised projections reflecting the increase in freight and storage costs in the current interim quarter, among others.

Revenue recognition

The Company recognizes revenues from service and product sales, 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 or completion of service, therefore, revenue from product sales is recognized when it is shipped to the customer and the revenue from services is recognized upon completion of services. 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 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 sales are recorded. 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 consists of costs for purchases of products, net of purchase discounts and rebates, and related inbound freight and delivery fees.

Operating expenses

Operating expenses, which consist of selling and fulfillment and general and administrative expenses, including inventory reserves, are expensed as incurred. Vendor warranty credits resulting from refund of returns on quality issues are recorded to offset merchant selling fees. During the three months ended September 30, 2025 and 2024, the Company did not have any vendor credits. Outbound freight costs related to shipping costs to customers are considered periodic costs and are reflected in selling and fulfillment expenses.

Advertising costs are expensed as incurred. Total advertising and promotional costs included in selling and fulfillment expenses for the three months ended September 30, 2025 and 2024 were \$809,990 and \$651,125, respectively.

Inventories

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 inventory and cost of goods sold any freight incurred to ship the product from its vendors to warehouses. 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.

Debt issuance costs

Costs incurred in connection with the issuance of debt are deferred and amortized as interest expense over the term of the related debt using the effective interest method. To the extent that the debt is outstanding, these amounts are reflected in the unaudited condensed consolidated balance sheets as direct deductions from the carrying amount of the outstanding borrowings.

Equity 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 offering. 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 September 30, 2025 and June 30, 2025, there were no deferred offering costs included in the consolidated balance sheets.

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. For the three months ended September 30, 2025 and 2024, sales through Amazon to Canada and other foreign countries were approximately 5.1% and 13.4% of the Company's total sales, respectively. During the three months ended September 30, 2025, sales of hydroponic products, including ventilation and grow light systems, were approximately 9.0% of the Company's total sales and the remaining 91.0% consisted of general gardening, home goods, and other products and accessories. During the three months ended September 30, 2024, sales of hydroponic products, including ventilation and grow light systems, were approximately 17.2% of the Company's total sales and the remaining 82.8% consisted of general gardening, home goods, and other products and accessories. As of September 30, 2025 and June 30, 2025, the Company had approximately \$0.5 million and \$1.0 million of inventory stored in China, respectively. The Company's majority of long-lived assets are located in California, United States, majority of the deferred tax assets are US related, and a majority of the Company's revenues are derived from within the United States.

Leases

The Company records right-of-use ("ROU") assets and related lease obligations on our balance sheet.

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.

Stock-based compensation

The Company applies ASC No. 718, "Compensation-Stock Compensation," which requires that share-based payment transactions with employees and nonemployees, upon adoption of ASU 2018-07, be measured based on the grant date fair value of the equity instrument and recognized as compensation expense over the requisite service period, with a corresponding addition to equity. Under this method, compensation costs related to employee share options or similar equity instruments is measured at the grant date based on the fair value of the award and is recognized over the period during which an employee is required to provide service in exchange for the award, which generally is the vesting period. In addition to the requisite service period, the Company also evaluates the performance condition and market condition under ASC 718-10-20. For an award which contains both a performance and a market condition, and where both conditions must be satisfied for the award to vest, the market condition is incorporated into the fair value of the award, and that fair value is recognized over the employee's requisite service period or nonemployee's vesting period if it is probable the performance condition will be met. If the performance condition is ultimately not met, compensation costs related to the award should not be recognized (or should be reversed) because the vesting condition in the award has not been satisfied.

The Company will recognize forfeitures of such equity-based compensation as they occur.

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. A valuation allowance must be established for deferred tax assets when it is more-likely-than-not (a probability level of more than 50%) that they will not be realized. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company 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 does 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, Income Taxes. 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 is computed by dividing net income attributable to holders of common stock by the weighted average number of shares 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.

Recently issued accounting pronouncements

In July 2025, the FASB issued ASU 2025-05, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. The ASU provides a practical expedient and accounting policy election for measuring expected credit losses on certain trade receivables and contract assets arising under ASC 606. The amendments are effective for fiscal years beginning after December 15, 2025, and interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of this ASU on its measurement of expected credit losses.

In December 2023, The FASB issued ASU 2023-09, Improvements to Income Tax Disclosures. Under this ASU, public business entities must annually “(1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income [or loss] by the applicable statutory income tax rate).” This ASU’s amendments are effective for public business entities for annual periods beginning after December 15, 2024. For entities other than public business entities, the amendments are effective for annual periods beginning after December 15, 2025. Entities are permitted to early adopt the standard “for annual financial statements that have not yet been issued or made available for issuance.” The amendments should be applied on a prospective basis. Retrospective application is permitted. The adoption of this standard did not have a material impact on its consolidated financial statements.

In November 2023, The FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The amendments apply to all public entities that are required to report segment information in accordance with Topic 280, Segment Reporting. The amendments in this ASU are intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. The key amendments: 1. Require that a public entity disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker (CODM) and included within each reported measure of segment profit or loss. 2. Require that a public entity disclose, on an annual and interim basis, an amount for other segment items by reportable segment and a description of its composition. The other segment items category is the difference between segment revenue less the significant expenses disclosed and each reported measure of segment profit or loss. 3. Require that a public entity provide all annual disclosures about a reportable segment's profit or loss and assets currently required by FASB Accounting Standards Codification® Topic 280, Segment Reporting, in interim periods. 4. Clarify that if the CODM uses more than one measure of a segment's profit or loss in assessing segment performance and deciding how to allocate resources, a public entity may report one or more of those additional measures of segment profit. However, at least one of the reported segment profit or loss measures (or the single reported measure, if only one is disclosed) should be the measure that is most consistent with the measurement principles used in measuring the corresponding amounts in the public entity's consolidated financial statements. 5. Require that a public entity disclose the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. 6. Require that a public entity that has a single reportable segment provide all the disclosures required by the amendments in the ASU and all existing segment disclosures in Topic 280. This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. A public entity should apply the amendments retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The adoption of this standard did not have a material impact on its consolidated financial statements.

In October 2023, the FASB issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. This ASU incorporates certain U.S. Securities and Exchange Commission (SEC) disclosure requirements into the FASB Accounting Standards Codification™ ("Codification"). The amendments in the ASU are expected to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. In SEC Release No. 33-10532, Disclosure Update and Simplification, issued August 17, 2018, the SEC referred certain of its disclosure requirements that overlap with, but require incremental information to, generally accepted accounting principles to the FASB for potential incorporation into the Codification. The ASU incorporates into the Codification 14 of the 27 disclosures referred by the SEC. They modify the disclosure or presentation requirements of a variety of Topics in the Codification. The requirements are relatively narrow in nature. Some of the amendments represent clarifications to, or technical corrections of, the current requirements. Because of the variety of Topics amended, a broad range of entities may be affected by one or more of those amendments. For entities subject to the SEC's existing disclosure requirements and for entities required to file or furnish financial statements with or to the SEC in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer, the effective date for each amendment will be the date on which the SEC removes that related disclosure from its rules. For all other entities, the amendments will be effective two years later. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In June 2022, FASB issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions. The amendments in this ASU clarify the guidance in ASC 820 on the fair value measurement of an equity security that is subject to a contractual sale restriction and require specific disclosures related to such an equity security. This standard is effective for fiscal years beginning after December 15, 2024. The adoption of this standard did not have a material impact on its consolidated financial statements.

In March 2020 and January 2021, the FASB issued ASU No. 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and ASU No. 2021-01, Reference Rate Reform (Topic 848): Scope, respectively (collectively, "Topic 848"). Topic 848 provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. The expedients and exceptions provided by Topic 848 are effective for all entities as of March 12, 2020 through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, Reference Rate reform (Topic 848): Deferral of the Sunset Date of Topic 848, which deferred the sunset date of Topic 848, Reference Rate Reform to December 31, 2024, after which entities will no longer be permitted to apply the relief in Topic 848. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

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, 2024, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The adoption of this standard did not have a material impact on the Company's 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.

Note 3 - Joint Ventures

Box Harmony, LLC

On January 13, 2022, the Company entered into a joint venture agreement (the "Joint Venture Agreement") with Titanium Plus Autoparts, Inc., a California corporation ("TPA"), Tony Chiu ("Chiu") and Bin Xiao ("Xiao"). Pursuant to the terms of the Joint Venture Agreement, the parties formed a Nevada limited liability company, Box Harmony, LLC ("Box Harmony"), for the principal purpose of providing logistic services primarily for foreign-based manufacturers or distributors who desire to sell their products online in the United States, with such logistic services to include, without limitation, receiving, storing and transporting such products.

Following entry into the Joint Venture Agreement, Box Harmony issued a total of 6,000 certificated units of membership interest, designated as Class A voting units ("Equity Units"), as follows: (i) the Company agreed to contribute \$50,000 in cash in exchange for 2,400 Equity Units in Box Harmony and agreed to provide Box Harmony with the use and access to certain warehouse facilities leased by the Company (see below), and (ii) TPA received 1,200 Equity Units in exchange for (a) \$1,200 and contributing the TPA IP License referred to below, (b) its existing and future customer contracts, and (c) granting Box Harmony the use of shipping accounts (FedEx and UPS) and all other TPA carrier contracts, and (iii) Xiao received 2,400 Equity Units in exchange for \$2,400 and his agreement to manage the day to day operations of Box Harmony.

Under the terms of the Box Harmony limited liability operating agreement (the “LLC Agreement”), TPA and Xiao each granted to the Company an unconditional and irrevocable right and option to purchase from Xiao and TPA at any time within the first 18 months following January 13, 2022, up to 1,200 Class A voting units, at an exercise price of \$550 per Class A voting unit, for a total exercise price of up to \$660,000. If such option is fully exercised, the Company would own 3,600 Equity Units or 60% of the total outstanding Equity Units. As of the date of this report, the Company had not exercised the option to purchase additional voting units from Xiao and TPA. The LLC Agreement prohibits the issuance of additional Equity Units and certain other actions unless approved in advance by the Company. In January 2023, TPA and Xiao transferred their 60% equity units to a third party without consideration as the LLC was still in the development stage and did not have significant operations. The transfer of equity did not have any impact on the LLC’s financial statements.

As a result, the Company owns 40% of the equity interest in Box Harmony with significant influence but does not own a majority equity interest or otherwise control of Box Harmony. The Company accounts for its ownership interest in Box Harmony following the equity method of accounting, in accordance with ASC 323, Investments —Equity Method and Joint Ventures. Under this method, the carrying cost is initially recorded at cost and then increased or decreased by recording its percentage of gain or loss in its statement of operations and a corresponding charge or credit to the carrying value of the asset. As of September 30, 2025 and June 30, 2025, the carrying value of the investment in Box Harmony was \$13,264 and \$13,264, respectively.

Global Social Media, LLC

On February 10, 2022, the Company entered into a joint venture agreement with Bro Angel, LLC, Ji Shin and Bing Luo (the “GSM Joint Venture Agreement”). Pursuant to the terms of the GSM Joint Venture Agreement, the parties formed a Nevada limited liability company, Global Social Media, LLC (“GSM”), for the principal purpose of providing a social media platform, contents and services to assist businesses, including the Company and other businesses, in marketing their products.

Following entry into the GSM Joint Venture Agreement, GSM issued 10,000 certificated units of membership interest (the “GSM Equity Units”), of which the Company was issued 6,000 GSM Equity Units and Bro Angel was issued 4,000 GSM Equity Units. Messrs. Shin and Luo are the owners of 100% of the equity of Bro Angel. The LLC Agreement prohibits the issuance of additional Equity Units and certain other actions unless approved in advance by Bro Angel, creating a noncontrolling right that would not be substantive to overcome the majority voting interests held by the Company.

As of the date of this report, the members had not completed the capital contributions and no receivables were recorded.

Pursuant to the terms of the Agreements, the Company owns 60% of the equity interest in GSM and control of GSM’s operations. Based on ASU 2015-02, the Company consolidates GSM into its financial statements due to its majority equity ownership and control over operations. For the three months ended September 30, 2025 and 2024, the impact of GSM’s activities were immaterial to the Company’s unaudited condensed consolidated financial statements.

United Package NV, LLC

On June 3, 2025, the Company, Custom Cup Factory, Inc., a California corporation (“CCF”), and Yi Yang (“Yang”) entered into the Limited Liability Company Operating Agreement (the “Operating Agreement”) of United Package NV, LLC, a Nevada limited liability corporation (“United Package”).

United Package focuses on the domestic production of packaging materials to serve the rapidly growing demands of U.S. businesses seeking reliable, sustainable, and cost-effective supply chain solutions without reliance on offshore manufacturing. Pursuant to the terms of the Operating Agreement, the Company owns 2,280 Class A Voting Units (as defined in the Operating Agreement) of United Package in consideration for the Company’s contribution of equipment and facility, Yang owns 1,140 Class A Voting Units of the Joint Venture in consideration for Yang’s commitment to manage the business of United Package and CCF owns 1,710 Class A Voting Units of United Package in consideration for CCF’s contribution of its marketing expertise, existing sales channel and customer list.

As a result, the Company owns approximately 44% of the equity interest in United Package with significant influence but does not own a majority equity interest or otherwise control of United Package. The Company accounts for its ownership interest in United Package following the equity method of accounting, in accordance with ASC 323, Investments —Equity Method and Joint Ventures. Under this method, the carrying cost is initially recorded at cost and then increased or decreased by recording its percentage of gain or loss in its statement of operations and a corresponding charge or credit to the carrying value of the asset. As of September 30, 2025 and June 30, 2025, the Company had invested total of \$665,443 and \$371,917 to United Package, respectively.

Note 4 – Variable Interest Entity

Effective February 15, 2022, upon acquisition of Anivia, the Company assumed the contractual arrangements between the WFOE and DHS through a variable interest operating entity structure. On September 26, 2024, Mr. Zanyu Li, the equity owner of DHS transferred his shares to Ms. Xiaoyun Liu. Ms. Liu has become the Manager and Legal Representative of DHS and assumed all responsibilities and obligations of Mr. Zanyu Li. The transfer of equity ownership did not change the control the Company had on the VIE, therefore there was no impact on the Company’s financial statements.

The Company did not provide financial or other support to the VIE for the periods presented where the Company was not otherwise contractually required to provide such support.

On August 4, 2025, the Company entered into a VIE Contract Termination Agreement with the VIE, pursuant to which all VIE agreements were terminated. As a result, the Company no longer has a controlling financial interest in the VIE. In accordance with ASC 810-10-40, *Consolidation — Deconsolidation of a Subsidiary or Derecognition of a Group of Assets*, the Company deconsolidated the VIE as of the termination date.

Upon deconsolidation, the Company derecognized all assets and liabilities of the VIE from its consolidated balance sheet. Because the Company retains no ownership interest or continuing involvement in the VIE following the termination of the agreements, no retained interest was recognized.

Comparative information for the prior period has not been adjusted, as the deconsolidation does not represent a discontinued operation under ASC 205-20.

As of June 30, 2025, there was no pledge or collateralization of the VIE assets that would be used to settle obligations of the VIE.

The following table summarizes the carrying amounts of the VIE’s assets and liabilities derecognized as of August 4, 2025 and the carrying amount of the VIE’s assets and liabilities as of June 30, 2025:

	Deconsolidation	June 30, 2025
Cash in bank	\$ 160,113	\$ 311,852
Prepayments and other receivables	\$ 281	\$ 279
Rent deposit	\$ –	\$ 9,772
Office equipment, net	\$ 3,539	\$ 3,562
Accounts payable	\$ 100,167	\$ 99,544
Income tax payable	\$ –	\$ 280,155
Other payables and accrued liabilities	\$ 24,142	\$ 465,990

Upon deconsolidation, the Company recorded \$39,624 loss on deconsolidation of VIE.

The operating results of the VIE were as follows for the three months ended September 30, 2025 and 2024:

	For the three months ended	
	September 30, 2025	September 30, 2024
Revenue	\$ –	\$ –
Net income (loss) after elimination of intercompany transactions	\$ 650,250	\$ (138,930)

Note 5 – Accounts Receivable

Accounts receivable for the Company consisted of the following as of the dates indicated below:

	September 30, 2025	June 30, 2025
Accounts receivable	\$ 7,080,322	\$ 8,048,425
Less: allowance for credit losses	(1,974,130)	(1,924,417)
Total accounts receivable	<u>\$ 5,106,192</u>	<u>\$ 6,124,008</u>

The changes in allowance for credit losses on accounts receivable are summarized below:

	Allowance for Credit Losses
Balance at June 30, 2024	\$ 355,386
Allowance recorded during the three months ended September 30, 2024	1,475,594
Balance at September 30, 2024	<u>\$ 1,830,980</u>
Balance at June 30, 2025	\$ 1,924,417
Allowance recorded during the three months ended September 30, 2025	49,713
Balance at September 30, 2025	<u>\$ 1,974,130</u>

Note 6 – Inventories

As of September 30, 2025 and June 30, 2025, inventories consisting of finished goods ready for sale, net of allowance for obsolescence, amounted to \$4,332,605 and \$8,131,203, respectively.

For the three months ended September 30, 2025 and 2024, the Company recorded inventory reserve expense of \$58,453 and \$288,474, respectively. As of September 30, 2025 and June 30, 2025, allowance for obsolescence was \$370,921 and \$312,468, respectively.

Note 7 – Prepayments and Other Current Assets

As of September 30, 2025 and June 30, 2025, prepayments and other current assets consisted of the following:

	September 30, 2025	June 30, 2025
Advance to suppliers	\$ 1,176,256	\$ 1,787,296
Prepaid income taxes	11,499	19,072
Prepaid expenses and other receivables	303,773	1,304,842
Less: Allowance for credit losses	–	–
Total	<u>\$ 1,491,528</u>	<u>\$ 3,111,210</u>

Other receivables consisted of delivery fees of \$22,574 and \$18,699 from a third party for using the Company's courier accounts at September 30, 2025 and June 30, 2025, respectively.

Note 8 – Intangible Assets

As of September 30, 2025 and June 30, 2025, intangible assets, net, consisted of the following:

	September 30, 2025	June 30, 2025
Covenant not to compete	\$ 3,459,120	\$ 3,459,120
Supplier relationships	1,179,246	1,179,246
Software	534,591	534,590
Accumulated amortization	(2,353,971)	(2,191,628)
Total	<u>\$ 2,818,986</u>	<u>\$ 2,981,328</u>

The intangible assets were acquired on February 15, 2022 through acquisition of Anivia. The weighted average remaining life for finite-lived intangible assets at September 30, 2025 was approximately 4.95 years. The amortization expense for the three months ended September 30, 2025 and 2024 was \$162,343 and \$162,343, respectively. At September 30, 2025, finite-lived intangible assets are expected to be amortized over their estimated useful lives, which ranges from a period of five to 10 years, and the estimated remaining amortization expense for each of the five succeeding years thereafter is as follows:

Year Ending June 30,	Amount
2026	\$ 487,028
2027	609,277
2028	468,750
2029	345,912
2030	345,912
Thereafter	562,107
Intangible assets, net	<u>\$ 2,818,986</u>

Note 9 – Other Payables and Accrued Liabilities

As of September 30, 2025 and June 30, 2025, other payables and accrued liabilities consisted of the following:

	September 30, 2025	June 30, 2025
Accrued payables for inventory in transit	\$ –	\$ 262,570
Credit cards payable	364,117	149,276
Customer deposits	197,511	291,995
Accrued Amazon fees	77,191	76,534
Sales taxes payable	436,683	552,346
Accrued payroll and related expenses	100,398	560,387
Other accrued liabilities and payables	141	813
Total	<u>\$ 1,176,041</u>	<u>\$ 1,893,921</u>

Note 10 – Loans Payable

Long-term loan

Asset-based revolving loan

On November 12, 2021, the Company entered into a Credit Agreement with JPMorgan Chase Bank, N.A. (“JPMorgan”), as administrative agent, issuing bank and swingline lender, for an asset-based revolving loan (“ABL”) of up to \$25 million with key terms listed as follows:

- Borrowing base equal to the sum of
 - Up to 90% of eligible credit card receivables
 - Up to 85% of eligible trade accounts receivable
 - Up to the lesser of (i) 65% of cost of eligible inventory or (ii) 85% of net orderly liquidation value of eligible inventory
- Interest rates of between LIBOR plus 2% and LIBOR plus 2.25% depending on utilization
- Undrawn fee of between 0.25% and 0.375% depending on utilization
- Maturity Date of November 12, 2024

In addition, the ABL includes an accordion feature that allows the Company to borrow up to an additional \$25.0 million. To secure complete payment and performance of the secured obligations, the Company granted a security interest in all of its right, title and interest in, to and under all of the Company’s assets as collateral to the ABL. Upon closing of the ABL, the Company paid \$796,035 in financing fees including 2% of \$25.0 million or \$500,000 paid to its financial advisor. The financing fees are recorded as debt discount and are to be amortized over the three-year term of the ABL as interest expense.

Below is a summary of the interest expense recorded for the three months ended September 30, 2025 and 2024:

	2025	2024
Accrued interest	\$ 51,596	\$ 43,145
Credit utilization fees	10,123	21,767
Amortization of debt discount	–	66,305
Total	<u>\$ 61,719</u>	<u>\$ 131,217</u>

On February 16, 2022, in connection with the acquisition of Anivia Limited, the Company and JPM entered into an amendment to the Pledge and Security Agreement, pursuant to which the Company pledged 65% of its ownership interest in Anivia Limited and its subsidiaries.

On October 7, 2022, the Company entered into a second amendment to the credit agreement and consent (the “Second Amendment to the Credit Agreement”), originally dated November 12, 2021, as amended, with JPMorgan. The Company entered into the Second Amendment to the Credit Agreement primarily for the purpose of changing the interest rate repayment calculations from LIBOR to the Secured Overnight Financing Rate, or SOFR, which adjustment had originally been anticipated under the terms of the original Credit Agreement. In addition, two of the negative covenants set forth in the original Credit Agreement were amended in order to (i) adjust the definition of “Covenant Testing Trigger Period” to increase the required cash availability from \$3,000,000 to \$4,000,000, or 10% of the aggregate revolving commitment for the preceding 30 days, and (ii) require that the Company will not and will not permit any of its subsidiaries, after reasonable due diligence and due inquiry, to knowingly sell their products, inventory or services directly to any commercial businesses that grows or cultivates cannabis; it being acknowledged, however, that the Company does not generally conduct due diligence on its individual retail customers.

On November 8, 2024, the Company entered into a third amendment (the “Third Amendment”) to that certain credit agreement, initially entered into by and among the Company and its subsidiaries and JPMorgan Chase Bank, N.A., as administrative agent for the Lender and a lender (the “Administrative Agent” or “Lender”), on November 12, 2021 (the “Credit Agreement”). The Third Amendment to the Credit Agreement amended, among other things, (i) the defined term “Aggregate Revolving Commitment” to mean \$15,000,000, and (ii) extended the maturity date to “November 8, 2027 or any earlier date on which the Revolving Commitments are reduced to zero or otherwise terminated pursuant to the terms hereof.” The borrowing rate is SOFR plus 2.25% to 2.50% depending on utilization of the borrowing availability.

As of September 30, 2025 and June 30, 2025, the outstanding amount of the ABL, which was classified as current revolving loan payable, including interest payable, was \$1,449,438 and \$3,737,602, respectively.

As of September 30, 2025, the Company was in default as a result of covenant violations under the ABL facility.

Short-term loan payable

On April 8, 2024, the Company entered into an agreement with an unrelated accredited investor (the “Investor”) for an on-demand, unsecured and subordinated loan (“On-demand Loan 2”). Pursuant to the agreement, the Investor agreed to loan the Company the amount requested. The On-demand Loan 2 bears interest at the rate of the Secured Overnight Financing Rate, or SOFR, plus 1.5% per annum. The On-demand Loan 2 is due in 30 days upon receipt of the Investor’s notice of repayment. For the three months ended September 30, 2024, the Company recorded interest expense of \$3,733. As of September 30, 2025 and June 30, 2025, the On-demand Loan 2 had been fully paid off.

On July 9, 2025, the Company borrowed \$500,000 as a short-term loan (“RP Loan 2”) from an entity owned by Mr. Allan Huang, one of the majority shareholders of the Company. The RP Loan 2 bears no interest and is due upon receipt of request of repayment. As of September 30, 2025, the outstanding balance of the RP Loan was \$500,000.

Note 11 - Related Party Transactions

On July 9, 2025, the Company borrowed \$500,000 as a short-term loan from an entity owned by Mr. Allan Huang, one of the majority shareholders of the Company. See Note 10 above for details.

On June 3, 2025, the Company, Custom Cup Factory, Inc. (“CCF”) and Ms. Yi Yang, our new director appointed on June 6, 2025, entered into the Limited Liability Company Operating Agreement (the “Operating Agreement”) of United Package NV, LLC, a Nevada limited liability corporation (the “Joint Venture”). The Joint Venture will focus on the domestic production of packaging materials to serve the rapidly growing demands of U.S. businesses seeking reliable, sustainable, and cost-effective supply chain solutions without reliance on offshore manufacturing. See Note 3 above for details.

In addition, Ms. Yang’s entity, Pacelcor Inc. (“Pacelcor”), manages a warehouse and provides fulfillment services for the Company and receives a monthly service fee, which fluctuates from month to month. Ms. Yang is the Founder and Chief Executive Officer of Pacelcor. As a result, Pacelcor has become a related party of the Company since June 6, 2025. For the three months ended September 30, 2025, the Company received \$435,155 service from Pacelcor. As of September 30, 2025 and June 30, 2025, the (prepayment) accounts payable to Pacelcor was \$(66,014) and \$78,831, respectively. Ms. Yang’s other entity, Pacelcor NV Inc. (“Pacelcor NV”) also provides marketing services for the Company. As of September 30, 2025 and June 30, 2025, the outstanding accounts payable to Pacelcor NV was \$315,019 and \$315,019, respectively.

Note 12 – Income Taxes

In addition to corporate income taxes in the United States, upon completion of the acquisition of Anivia in February 2022, the Company is subject to corporate income taxes in People’s Republic of China (“PRC”). Anivia and its subsidiaries are subject to BVI or Hong Kong income taxes but did not have any operations in those jurisdictions for the year ended June 30, 2022. The Company’s subsidiary in China, Dayourenzai (Shenzhen) Technology Co., Ltd. (“WFOE”), is subject to the Global Intangible Low-Taxed Income (or GILTI) Tax. WFOE is subject to 5% tax rate in PRC until December 31, 2027. Since WFOE had losses during the three months ended September 30, 2025 and 2024 and the year ended June 30, 2025, no GILTI tax was recorded as of September 30, 2025 and June 30, 2025. The Company is not eligible for the GILTI high-tax exclusion. In addition, as a result of the acquisition, the Company recognized goodwill in the amount of \$6,094,144. Since the acquisition was a stock acquisition, the Goodwill is not deductible for tax purposes.

For the three months ended September 30, 2025, as a result of the Company’s inability to establish a reliable estimate for annual effective tax rate, the Company calculated income tax expense using the actual effective tax rate year to date, as opposed to the estimated annual effective tax rate, as provided in Accounting Standards Codification (ASC) 740-270-30-18.

The income tax provision for the three months ended September 30, 2025 and 2024 consisted of the following:

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Current:		
Federal	\$ –	\$ –
State	9,076	8,409
Foreign	–	–
Total current income tax provision	<u>9,076</u>	<u>8,409</u>
Deferred:		
Federal	(158,610)	(521,137)
State	(33,636)	(123,784)
Foreign	(280,414)	–
Total deferred taxes	<u>(472,660)</u>	<u>(644,921)</u>
Total provision for income taxes	<u>\$ (463,584)</u>	<u>\$ (636,512)</u>

The Company is subject to U.S. federal income tax as well as state income tax in certain jurisdictions. The tax years 2020 to 2024 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:

	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Statutory tax rate		
Federal	21.00%	21.00%
State (net of federal benefit)	5.63%	5.51%
Foreign tax rate difference	(3.11)%	(3.16)%
Reversal of over accrued income taxes of prior years for VIE	25.80%	–
Net effect of state income tax deduction and other permanent differences	(2.83)%	0.5%
Effective tax rate	<u>46.49%</u>	<u>23.85%</u>

As of September 30, 2025, prepaid income taxes to US tax authorities was \$11,499. As of June 30, 2025, prepaid income taxes to US tax authorities and income tax payable to Chinese tax authorities was \$19,073 and \$280,155, respectively.

The tax effects of temporary differences which give rise to significant portions of the deferred taxes are summarized as follows:

	<u>September 30, 2025</u>	<u>June 30, 2025</u>
Deferred tax assets		
263A calculation	\$ 136,513	\$ 256,568
Inventory reserve	98,792	83,180
State taxes	1,906	4,844
Accrued expenses	21,950	21,750
ROU assets / liabilities	91,295	95,711
Net operating loss	3,281,252	3,081,145
Disallowed interest expense	322,521	311,662
Stock-based compensation	376,576	336,394
Valuation allowance	(127,402)	(118,191)
Allowance for credit loss	525,795	512,289
Total deferred tax assets	<u>4,729,198</u>	<u>4,585,352</u>
Deferred tax liabilities		
Depreciation	(51,206)	(56,648)
Unrealized gain/loss	(283)	–
Intangible assets acquired	(761,003)	(804,242)
Total deferred tax liabilities	<u>(812,492)</u>	<u>(860,890)</u>
Net deferred tax assets	<u>\$ 3,916,706</u>	<u>\$ 3,724,462</u>

Note 13 – Earnings Per Share

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

	For the three months ended	
	September 30,	
	<u>2025</u>	<u>2024</u>
Numerator:		
Net loss attributable to iPower Inc.	\$ (533,648)	\$ (2,029,281)
Denominator:		
Weighted-average shares used in computing basic and diluted earnings per share*	\$ 1,049,595	\$ 1,047,240
Losses per share of ordinary shares - basic and diluted	<u>\$ (0.51)</u>	<u>\$ (1.94)</u>

* Due to the anti-dilutive effect, the computation of basic and diluted EPS did not include the shares underlying the exercise of warrants, options, and unvested RSUs as the Company had a net loss for the three months ended September 30, 2025 and 2024.

* For the three months ended September 30, 2025 and 2024, 4,166 and 71,343 vested but unissued shares of restricted stock units under the 2020 Equity Incentive Plan (as discussed in Note 14) are considered issued shares and therefore are included in the computation of basic losses per share when the shares are fully vested.

Note 14 – Equity

Common Stock

As of September 30, 2025, the total authorized shares of capital stock were 200,000,000 shares consisting of 180,000,000 shares of Common Stock (“Common Stock”) and 20,000,000 shares of preferred stock (the “Preferred Stock”), each with a par value of \$0.001 per share.

The holders of Common Stock shall be entitled to one vote per share in voting to the election of directors and all other corporate purposes. 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 Company legally available therefor, upon the terms, and subject to the limitations, as the Board of Directors of the Company (the “Board of Directors”) may determine. In the event of liquidation or dissolution of the Company, subject to the express terms of any outstanding series of Preferred Stock, 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.

On October 27, 2025, the Company effectuated the 1-for-30 Reverse Stock Split. When the Reverse Stock Split becomes effective, every thirty (30) shares of the Company’s issued and outstanding Common Stock immediately prior to the Effective Time will automatically be reclassified into one (1) share of Common Stock, without any change in the par value per share. The Reverse Stock Split did not change the total number of authorized shares of Common Stock or preferred stock. As a result, unless otherwise indicated, all references to common stock, restricted stock units, warrants and options to purchase common stock, share data, per-share data, and related information have been retroactively adjusted, where applicable in the unaudited condensed consolidated financial statements and notes, to reflect the 1-for-30 reverse stock split of the Company’s common stock as if the split had occurred at the beginning of the earliest period presented.

During the three months ended September 30, 2025, the Company issued 4,460 shares of restricted Common Stock for RSUs vested.

On June 18, 2024, the Company closed on a registered direct offering (the “Registered Direct”) of 69,445 shares of common stock (the “Shares”) and a concurrent private placement (“Private Placement,” and together with the Registered Direct, the “Offering”) of warrants (the “Warrants”) to purchase 69,445 shares of common stock (the “Warrant Shares”), which were sold for gross aggregate proceeds of \$5,000,002. The Shares were sold pursuant to a prospectus supplement, filed on June 18, 2024, to the Registration Statement on Form S-3, originally filed on September 25, 2023, with the SEC (File No. 333-274665) and declared effective by the SEC on September 29, 2023. The Warrants, which were issued pursuant to an exemption from registration pursuant to Section 4(a)(2) or Regulation D on the Securities Act, have a term of five years and are immediately exercisable at \$72.0 per share. The Shares and Warrants were sold to a purchaser pursuant to a securities purchase agreement, dated June 16, 2024, between the Company and the purchaser (the “Purchase Agreement”). Roth Capital Partners, LLC (the “Placement Agent”) acted as placement agent, pursuant to a placement agency agreement between the Company and the Placement Agent dated June 16, 2024 (the “Placement Agency Agreement”). The Company paid the Placement Agent as compensation a cash fee equal to 6.5% of the gross proceeds of the Offering plus reimbursement of certain expenses and legal fees. The net proceeds of the Offering, after deducting \$456,913, the Placement Agent’s fees and expenses and other direct offering costs paid by the Company, was \$4,543,089.

The Company calculated the fair value of the Warrants at \$3.1 million, with a relative fair value of \$1.7 million after allocation of the fair value of the Shares, using the Black-Scholes Model with the following variables:

- Stock Price - \$2.00 (pre-reverse-split price)
- Exercise Price - \$2.40 (pre-reverse-split price)
- Volatility – 104%
- Term – 5 years
- Risk Free Rate of Return – 4.24%

Pursuant to the Warrant agreement, except for some fundamental transactions within the Company’s control, in no event shall the Company be required to net cash settle the Warrants. The Company considered and followed the rules and guidelines under ASC 480-10 and ASC 815 and concluded that the Warrants should be classified and recorded as equity. Further, as the warrants were issued as part of the Offering, the relative fair value of the Warrants was included in the gross proceeds and recorded as additional paid-in capital. As of September 30 and June 30, 2025, none of the warrants had been exercised.

On June 18, 2024, in order to recoup the settlement payment made to Boustead Securities, LLC, the Company’s Chief Executive Officer and co-founder, Lawrence Tan, along with co-founder Allan Huang, returned a total of 18,056 shares to the Company for cancellation (the “Share Cancellation”). The Share Cancellation was completed in June 2024 and the par value of \$542 was reduced against additional paid-in capital.

As of September 30, 2025 and June 30, 2025, there were 1,049,790 and 1,045,330 shares of Common Stock issued and outstanding.

Preferred 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. As of September 30, 2025 and June 30, 2025, respectively, there were no shares of Preferred Stock issued and outstanding.

Equity Incentive Plan

On May 5, 2021, the Company’s Board of Directors adopted, and its stockholders approved and ratified, the iPower Inc. Amended and Restated 2020 Equity Incentive Plan (the “Plan”). The Plan allows for the issuance of up to 10,000,000 shares of Common Stock, whether in the form of stock 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. On November 16, 2021 and December 6, 2022, the Company filed a registration statement on Form S-8 registering all shares issuable under the Plan, which was subsequently amended on December 6, 2022 and September 15, 2023 and November 22, 2023.

Restricted Stock Unit

During the three months ended September 30, 2025 and 2024, the Company granted an additional 1,607 and 2,381 shares of RSUs, respectively. For the three months ended September 30, 2025 and 2024, the Company recorded \$10,000 and \$31,788 of stock-based compensation expense. There was no forfeiture of RSUs occurred during the three months ended September 30, 2025 and 2024. As of September 30, 2025 and June 30, 2025, the unvested number of RSUs was 1,529 and 463 and the unamortized expense was \$28,333 and \$8,333, respectively.

Information relating to RSU grants is summarized as follows:

For the three months ended September 30, 2025:

	Total RSUs Issued	Total Fair Market Value of RSUs Issued as Compensation (1)
RSUs granted, but not vested, at June 30, 2025	463	
RSUs granted	1,607	\$ 30,000
RSUs forfeited	–	
RSUs vested	(541)	
RSUs granted, but not vested, at September 30, 2025	<u>1,529</u>	

(1) The total fair value was based on the current stock price on the grant date.

As of September 30, 2025, of the 14,128 vested RSUs, 13,989 shares of Common Stock were issued, and 139 shares were to be issued in the near future. As of June 30, 2025, of the 13,587 vested RSUs, 9,529 shares of Common Stock were issued, and 4,058 shares were to be issued in the near future.

For the three months ended September 30, 2024:

	Total RSUs Issued	Total Fair Market Value of RSUs Issued as Compensation (1)
RSUs granted, but not vested, at June 30, 2024	109	
RSUs granted	2,381	\$ 90,000
RSUs forfeited	–	
RSUs vested	(902)	
RSUs granted, but not vested, at September 30, 2024	<u>1,588</u>	

(1) The total fair value was based on the current stock price on the grant date.

As of September 30, 2024, of the 11,908 vested RSUs, 9,529 shares of Common Stock were issued, and 2,379 shares were to be issued in the near future.

Stock Option

On May 12, 2022, the Compensation Committee of the Board of Directors approved an incentive plan for the Company's executive officers consisting of a cash performance bonus of \$60,000 to be awarded to Kevin Vassily, CFO of the Company, and grants of stock option (the "Option Grants") exercisable to purchase (i) 100,000 shares of Common Stock to Chenlong Tan, CEO and (ii) 11,000 shares of Common Stock to Mr. Vassily. The Option Grants, which were issued on May 13, 2022, have an exercise price of \$33.6, a contractual term of 10 years, and consist of six vesting tranches with a vesting schedule based entirely on the attainment of both operational milestones (performance conditions) and market conditions, assuming continued employment of the recipients through each vesting date. Each of the six vesting tranches of the Option Grants will vest when both (i) the market capitalization milestone for such tranche, which begins at \$150 million for the first tranche and increases by increments of \$50 million through the fourth tranche and \$100 million thereafter (based on achieving such market capitalization for five consecutive trading days), has been achieved, and (ii) any one of the following six operational milestones focused on revenue or any one of the six operational milestones focused on operating income have been achieved during a given fiscal year.

The estimated achievement status of the operational milestones as of September 30, 2025 was as follows:

Revenue in Fiscal Year		Operating Income in Fiscal Year	
Milestone (in Millions)	Achievement Status	Milestone (in Millions)	Achievement Status
\$ 90	Probable	\$ 6	Probable
\$ 100	Probable	\$ 8	Probable
\$ 125	Probable	\$ 10	Probable
\$ 150	Probable	\$ 12	–
\$ 200	–	\$ 16	–
\$ 250	–	\$ 20	–

The Company evaluated the performance condition and market condition under ASC 718-10-20. The Option Grants are considered an award containing a performance and a market condition and both conditions (in this case at least one of the performance conditions) must be satisfied for the award to vest. The market condition is incorporated into the fair value of the award, and that fair value is recognized over the longer of the implied service period or requisite service period if it is probable that one of the performance conditions will be met. In relation to the five awards deemed probable to vest, the recognition period ranges from five to six years. If the performance condition is ultimately not met, compensation cost related to the award should not be recognized (or should be reversed to the extent any expense has been recognized related to such tranche) because the vesting condition in the award would not have been satisfied.

On the grant date, a Monte Carlo simulation was used to determine for each tranche (i) a fixed amount of expense for such tranche and (ii) the future time when the market capitalization milestone for such tranche was expected to be achieved. Separately, based on a subjective assessment of our future financial performance, each quarter we determine whether it is probable that the Company will achieve each operational milestone that has not previously been achieved or deemed probable of achievement and, if so, the future time when the Company expects to achieve that operational milestone. The Monte Carlo simulation utilized the following inputs:

- Stock Price - \$1.12 (pre-reverse-split price)
- Volatility – 95.65%
- Term –10 years
- Risk Free Rate of Return – 2.93%
- Dividend Yield – 0%

The total fair value of the Option Grants was \$3.2 million of which, at September 30, 2025, \$1.0 million is deemed probable of vesting.

During the year ended June 30, 2025, the Company reassessed the expected timing of meeting the performance conditions. According to ASC 718-10-55-78, since the number of awards expected to vest and the fair value had changed with the new estimate, the adjustment affected the recognition value and years to vest. Therefore, the Company had reversed \$701,807 of the expenses recorded for non-vesting tranches and applied the prospective approach to record adjustment on tranches expected to be vested in future periods. As of September 30, 2025, none of the options had vested. For the three months ended September 30, 2025 and 2024, the Company recorded \$40,691 and \$110,382 of stock-based compensation expense related to the Option Grants. As of September 30, 2025, unrecognized compensation cost related to tranches probable of vesting is approximately \$992,045 and will be recognized over five to six years, depending on the tranche.

On August 29, 2024, the board of directors (the “Board”) of the Company, based on the recommendation of the compensation committee of the Board, approved a grant of 40,000 stock options (the “2024 Stock Options”) issuable to Chenlong Tan, the Company’s Chief Executive Officer, pursuant to the terms of the iPower Inc. Amended and Restated 2020 Equity Incentive Plan (the “Plan”). Following the Board’s approval, Mr. Tan and the Company entered into a stock option award agreement (the “Stock Option Award Agreement”).

According to the Stock Option Award Agreement, and subject to the terms and conditions of the Stock Option Award Agreement and the Plan, upon vesting of the 2024 Stock Options, Mr. Tan will have the option to purchase the Company’s common stock, par value \$0.001 per share, at an exercise price of \$42.9 per share (which is 110% of the Fair Market Value of the stock on the grant date). The 2024 Stock Options have a term of 10 years and will vest as follows: 1,000 2024 Stock Options vested on the grant date (August 29, 2024), and 1,084 2024 Stock Options will vest on the first day of each month from September 1, 2024, to August 1, 2027.

On the grant date, a Black-Scholes Model was used to determine the fair value of the 2024 Stock Options with the following inputs:

- Stock Price - \$1.30 (pre-reverse-split price)
- Exercise Price - \$1.43 (pre-reverse-split price)
- Volatility – 101%
- Expected Term –5.71 years
- Risk Free Rate of Return – 3.66%
- Dividend Yield – 0%

The total fair value of the 2024 Stock Options was \$1.22 million as of the grant date. For the three months ended September 30, 2025 and 2024, 3,250 and 2,084 stock options were vested and the Company recorded \$99,512 and \$63,790 as stock compensation expense, respectively. As of September 30, 2025, the unrecognized compensation cost of the 2024 Stock Options was approximately \$0.76 million and will be recognized monthly through August 1, 2027.

Note 15 - 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 September 30, 2025 and June 30, 2025, \$903,975 and \$1,774,296, respectively, were deposited with various financial institutions and financial services companies in the United States and PRC. Accounts at each institution in the United States are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The Company had approximately \$0.4 million and \$1.4 million, respectively, in excess of the FDIC insurance limit, as of September 30, 2025 and June 30, 2025.

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.

The business of WFOE in China may be impacted by Chinese economic conditions, changes in regulations and laws, and other uncertainties.

Customer and vendor concentration risk

For the three months ended September 30, 2025 and 2024, Amazon Vendor and Amazon Seller customers accounted for 70% and 89% of the Company's total revenues, respectively. As of September 30, 2025 and June 30, 2025, respectively, accounts receivable from Amazon Vendor and Amazon Seller accounted for 73% and 72% of the Company's total accounts receivable.

For the three months ended September 30, 2025 and 2024, one supplier accounted for 66% and 11% of the Company's total purchases, respectively. As of September 30, 2025 and June 30, 2025, accounts payable to one supplier accounted for 20% and 10% of the Company's total accounts payable.

Note 16 - Leases

On February 15, 2022, upon completion of the acquisition of Anivia Limited, the Company assumed an operating lease for offices located in the People's Republic of China. In July 2023, the Company renewed the lease contract for its existing office plus additional office space. The lease term is for three years expiring on July 14, 2026. The total base rental fee for these offices is approximately \$19,406 per month. In September 2024, the Company terminated the lease contract of the office space.

On July 28, 2021, the Company entered into a Lease agreement (the "Lease Agreement") with 9th & Vineyard, LLC, a Delaware limited liability company (the "Landlord"), to lease from the Landlord approximately 99,347 square feet of space located at 8798 9th Street, Rancho Cucamonga, California (the "Premises"). The term of the Lease Agreement is for 62 months, commencing on the date on which the Landlord completes certain prescribed improvements on the property (the "Rent Commencement Date"). The Lease Agreement does not provide for an option to renew. Under the Lease Agreement, the Company is responsible for its pro rata share of certain costs, including utility costs, insurance and common area costs, as further detailed in the Lease Agreement. In addition, following the Rent Commencement Date, the first two months of the Base Rent were abated.

The lease did not start under the original agreement as the construction was not completed. On February 23, 2022, the Company entered into an amended agreement to extend the lease term to 74 months. Under the amended agreement, the lease commenced on February 10, 2022, with rent payments commencing May 11, 2022 and the lease expiring on May 31, 2028. The base rental fee is \$114,249, increasing gradually over time to \$140,079 per month through the expiration date of May 31, 2028.

On May 1, 2022, the Company leased another fulfillment center in Duarte, California. The base rental fee is \$56,000 to \$59,410 per month through April 30, 2025. The lease had been expired without renewal since May 1, 2025.

In September 2024, DHS entered into a sublease agreement with a third-party entity for office space in Shenzhen. The lease term is for one year from October 1, 2024 to September 30, 2025. The lease is treated as short-term lease and the base rental fee is approximately \$10,000 per month.

	For the Three Months Ended September 30,	
	2025	2024
<u>Lease cost</u>		
Operating lease cost (included in G&A in the Company's statement of operations)	\$ 361,746	\$ 594,133
Short-term lease expenses	9,781	195,188
<u>Other information</u>		
Cash paid for amounts included in the measurement of lease liabilities	\$ 378,512	\$ 604,117
Remaining term in years	2.67	0.58 – 3.67
Average discount rate - operating leases	5%	5 - 6%

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

Operating leases	9/30/2025	6/30/2025
Right of use asset - non-current	\$ 3,603,165	\$ 3,915,539
Lease Liabilities – current	1,389,834	1,361,111
Lease Liabilities - non-current	2,556,104	2,913,967
Total operating lease liabilities	\$ 3,945,938	\$ 4,275,078

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

	Operating Lease
For Year ending June 30:	
2026	\$ 1,155,407
2027	1,586,572
2028	1,459,409
Less: Imputed interest/present value discount	(255,450)
Present value of lease liabilities	\$ 3,945,938

Note 17 - Commitments and Contingencies

Except as disclosed below, the Company is not currently a party to any material legal proceedings, investigation or claims. As the Company may, from time to time, be involved in legal matters arising in the ordinary course of its business, 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 February 2022, the Russian Federation began conducting military operations against Ukraine, and in October 2023, an armed conflict between Hamas-led Palestinian militant groups and Israeli military forces began, both of which have since escalated into prolonged wars. While we do not do business in those regions, the military conflicts in Ukraine and in Israel have resulted in global economic uncertainty and increased the cost of various commodities. In response to these types of events, should they directly impact our supply chain or other operations, we may experience or be exposed to supply chain disruptions which could cause us to seek alternate sources for product supply or suffer consequences that are unexpected and difficult to mitigate. Any of these risks might have a materially adverse impact on our business operations and our financial position or results of operations. Although, it is difficult to predict the impact that these factors may have on our business in the future, we have experienced a delay in, as well as an increase in costs in shipping, and the resulting inventory level increase in our warehouse facilities, thus resulting in reduced profits. In addition, supply chain disruptions may put upward pressure on our costs and increase the risk that we may be unable to acquire the materials and services we need to continue to make certain products.

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”). On March 22, 2021, the \$175,500 PPP Note due to Royal Business Bank was fully forgiven by the Small Business Administration (“SBA”).

The Company is required to retain PPP loan documentation through 2026 and permit authorized representatives of the SBA to access such files upon request. Should the SBA conduct such a review and reject all or some of the Company’s judgments pertaining to satisfying PPP loan eligibility or forgiveness conditions, the Company may be required to adjust previously reported amounts and disclosures in the consolidated financial statements.

Note 18 - Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through the date that the unaudited condensed consolidated financial statements were available to be issued. Other than as set forth below, there were no material subsequent events that required recognition or additional disclosure in the unaudited condensed consolidated financial statements presented.

Pursuant to such authority granted by the Company’s stockholders at the Annual Meeting, held on June 23, 2025, the Board approved a reverse stock split of between one-for-twenty (1:20) and one-for-thirty (1:30) (the “Reverse Stock Split”) of the Common Stock on October 13, 2025, subject to final determination of the Company’s management. Company management subsequently determined to effectuate a one-for-thirty (1:30) Reverse Stock Split and on October 22, 2025, the Company filed a certificate of amendment to amend the Company’s certificate of incorporation (the “Certificate of Amendment”) with the Secretary of State of the State of Nevada, with an effective date of October 27, 2025 (the “Effective Date”). The Reverse Stock Split became effective at the start of trading on October 27, 2025 (the “Effective Time”). At the Effective Time, every thirty (30) shares of the Company’s issued and outstanding Common Stock immediately prior to the Effective Time shall automatically reclassified into one (1) share of Common Stock, without any change in the par value per share. The Reverse Stock Split did not change the total number of authorized shares of Common Stock or preferred stock.

As a result, all shares of Common Stock and per share numbers in the unaudited condensed consolidated financial statements and notes have been adjusted retroactively to reflect the 1-for-30 Reverse Stock Split.

On November 12, 2025, the Company’s Compensation Committee approved authorizing the Company to issue a grant of \$800,000 in RSUs to its Chief Executive Officer, Mr. Chenlong Tan, which RSUs shall be calculated as of the grant date, have deferred settlement upon vesting, and shall vest in accordance with the vesting schedule set forth in the Grant Agreement.

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

The following Management’s Discussion and Analysis of Financial Condition and Results of Operations (the “MD&A”) should be read in conjunction with our unaudited financial statements and the related notes thereto included elsewhere herein. This 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 report. 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

Driven by tech and data, iPower Inc. is an online supplier of consumer goods, including hydroponics equipment, general gardening supplies, and consumer home goods. Through the operations of our e-commerce platforms and channel partners, and our 99,347 square foot fulfillment centers in Rancho Cucamonga, California, we believe we are one of the leading marketers, distributors and retailers in the consumer gardening and home goods categories based on management’s estimates. Our core strategy continues to focus on expanding our geographic reach across the United States and internationally through organic growth, both in terms of expanding customer base as well as brand and product development. iPower has developed a set of methodologies driven by proprietary data formulas to effectively bring products to market and sales.

We are actively developing our in-house branded products and through supply chain partners, which to date include the **iPower** and **Simple Deluxe** brands and more, some of which have been designated as Amazon best seller product leaders and Amazon Choice products, among others.

Trends and Expectations

Product and Brand Development

We plan to increase investments in product and brand development. We actively evaluate potential acquisition opportunities of companies and product brand names that can complement our product catalog and improve on existing products and supply chain efficiencies.

Global Economic Disruption

While at present the majority of our products are sourced either in the United States or China, the military conflict between Russia and Ukraine may nonetheless increase the likelihood of supply chain interruptions and hinder our ability to find the materials we need to make our products. Thus far, as a result of the general global economic disruption, we have experienced a decrease in the speed with which we are able to purchase new inventory, as well as an increase in costs due to delays in shipping, resulting increase in time with which products remain in our warehouse facilities, thus resulting in reduced profits. In addition, supply chain disruptions may make it harder for us to find favorable pricing and reliable sources for the materials we need, putting upward pressure on our costs and increasing the risk that we may be unable to acquire the materials and services we need to continue to make certain products.

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 46 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.

Recent Developments

Adoption of Digital Treasury Strategy

On June 17, 2025, the Company adopted a digital asset reserve, allocation and development strategy (the “Digital Treasury Strategy”) with the plan of creating a Digital Treasury Strategy business. To date, we have not effectuated the Digital Treasury Strategy business and do not know if it will be effectuated. As this Digital Treasury Strategy is a newly planned addition to our business model, we cannot predict its success or know whether we will commence this strategy or, once commenced, if we will continue with this strategy for the long term. The Company will provide additional updates to shareholders when and if we do effectuate such strategy.

RESULTS OF OPERATIONS

For the three months ended September 30, 2025 and 2024

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

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Variance
Revenues - product sales	\$ 10,484,661	18,275,412	(42.6%)
Revenues - service income	1,532,806	733,109	109.1%
	<u>12,017,467</u>	<u>19,008,521</u>	<u>(36.8%)</u>
Cost of revenues - product costs	5,878,262	9,917,448	(40.7%)
Cost of revenues - service costs	1,332,681	603,176	120.9%
	<u>7,210,943</u>	<u>10,520,624</u>	<u>(31.5%)</u>
Gross profit	4,806,524	8,487,897	(43.4%)
Operating expenses	6,501,703	11,234,331	(42.1%)
Operating loss	(1,695,179)	(2,746,434)	(38.3%)
Other income	697,947	77,805	(797.0%)
Loss before income taxes	(997,232)	(2,668,629)	(62.6%)
Income tax benefit	463,584	636,512	(27.2%)
Net loss	(533,648)	(2,032,117)	(73.7%)
Non-controlling interest	—	(2,836)	—
Net loss income attributable to iPower Inc.	(533,648)	(2,029,281)	(73.7%)
Other comprehensive loss	24,943	(55,054)	145.3%
Comprehensive loss attributable to iPower Inc.	\$ (508,705)	(2,084,335)	(75.6%)
Gross profit % of revenues – product sales	43.9%	45.7%	
Gross profit % of revenues – service income	13.1%	17.7%	
Operating loss % of revenues	(14.1%)	(14.4%)	
Net loss % of revenues	(4.4%)	(10.7%)	

Revenues

Revenues for the three months ended September 30, 2025 decreased 36.8% to \$12,017,467 as compared to \$19,008,521 for the three months ended September 30, 2024. While pricing remained stable and with the additional logistics service income, the decrease was mainly due to the combination of decreased orders from Amazon and temporary disruption of product supply during the quarter ended September 30, 2025. In addition, the Company also experienced a significant decrease in amazon orders due to uncertainty over tariffs during quarter ended September 30, 2025.

Costs of Revenues

Costs of revenues for the three months ended September 30, 2025 decreased 31.5% to \$7,210,943 as compared to \$10,520,624 for the three months ended September 30, 2024. The decrease was primarily due to a combination of the costs related to the logistics service income and the decrease in sales, freight costs, and lowered product costs resulting from management's efforts on supply chain management.

Gross Profit

Gross profit was \$4,806,524 for the three months ended September 30, 2025 as compared to \$8,487,897 for the three months ended September 30, 2024. While the overall gross profit ratio of the total sales revenues decreased to 40.0% for the three months ended September 30, 2025 from 44.7% for the three months ended September 30, 2024, the gross profit ratio of product sales revenue for the three months ended September 30, 2025 and 2024 was 43.9% and 45.7%, respectively. The decrease in the gross profit ratio was primarily driven by the increase in the logistics service income and secondarily by increases in freight costs and product costs.

Operating Expenses

Operating expenses for the three months ended September 30, 2025 decreased 42.1% to \$6,501,703 as compared to \$11,234,331 for the three months ended September 30, 2024. The decrease was mainly due to the combination of a decrease in selling and fulfillment expenses of \$0.7 million as a result of decreased costs related to advertising, merchant fees, rental expenses and delivery fees, and a decrease in general and administrative expenses of \$4.0 million, which included payroll expenses, stock-based compensation expense, insurance expenses, allowance for credit losses, travel expenses and other operating expenses. The decrease in general and administrative expenses was primarily attributable to the implementation of a cost-cutting plan during the current quarter, as compared to the prior-year period which included expenses related to the expansion of our vendor network, the development of the SuperSuite platform, and an increase in the allowance for credit losses and inventory reserves totaling \$1.76 million for the quarter ended September 30, 2024.

Loss from Operations

Loss from operations was \$1,695,179 for the three months ended September 30, 2025 as compared to \$2,746,434 for the three months ended September 30, 2024. The decrease in loss resulted from the decrease in operating expenses being greater than the decrease in gross profit.

Other Income

Other income consists of interest expense and other non-operating income. Other income for the three months ended September 30, 2025 was \$697,947 as compared to \$77,805 for the three months ended September 30, 2024. The increase in other income was mainly due to combination of the increase in other non-operating income of \$620,142 resulted from discounted settlement and write-offs of aged accounts payable, recognition of loss on deconsolidation of VIE, and a decrease in interest, including amortization of debt discount, on the revolving loan of \$78,243 during the three months ended September 30, 2025 resulted from the decreasing loan balance.

Net Loss Attributable to iPower Inc.

Net loss attributable to iPower Inc. for the three months ended September 30, 2025 was \$533,648 as compared to \$2,029,281 for the three months ended September 30, 2024, representing a decrease in net loss of \$1,495,633. The decrease was primarily due to the decrease in operating expenses and the increase in other income as discussed above.

Comprehensive Loss Attributable to iPower Inc.

Comprehensive loss attributable to iPower Inc. for the three months ended September 30, 2025 was \$508,705 as compared to \$2,084,335 for the three months ended September 30, 2024, representing a decrease in comprehensive loss of \$1,575,630. The decrease was due to the reasons discussed above, along with an increase in other comprehensive income of \$79,997 as a result of foreign currency translation adjustments resulting from the translation of RMB, the functional currency of our subsidiary and VIE in the PRC, to USD, the reporting currency of the Company.

LIQUIDITY AND CAPITAL RESOURCES

Sources of Liquidity

During the three months ended September 30, 2025, we primarily funded our operations with cash and cash equivalents generated from operations, borrowing from related party, as well as through borrowing under our credit facility from JPMorgan Chase Bank (“JPM”). Additionally, on June 18, 2024, we closed on a registered direct offering of 69,445 shares of common stock (the “Shares”) and a concurrent private placement of warrants to purchase up to 69,445 shares of common stock (the “Warrants”), which Shares and Warrants were sold for aggregate gross proceeds of \$5,000,002. As of September 30, 2025, we had cash and cash equivalents of \$903,975, representing a \$1,103,915 decrease from \$2,007,890 in cash as of June 30, 2025. The cash decrease was primarily due to the combined result of cash provided by operating activities, cash used in investing activities and financing activities resulting from our payments to pay down the JPM revolving line of credit.

Based on our current operating plan, we believe that our existing cash and cash equivalents and cash flows from operations will be sufficient to finance our operations during the next 12 months. However, our liquidity and our ability to meet our obligations and fund our capital requirements are dependent on our future financial performance, which is subject to general economic, financial and other factors that are beyond our control, such as rising inflation and potential recession, and our anticipated funding requirements could increase. See “Item 1A - Risk Factors” in our Annual Report on Form 10-K filed with the SEC on October 9, 2025.

Our cash requirements consist primarily of day-to-day operating expenses and obligations with respect to warehouse leases. We lease all of our office and warehouse facilities. We expect to make future payments on existing leases from cash generated from operations. We have credit terms in place with our major suppliers, however as we bring on new suppliers, we are often required to prepay our inventory purchases from them. This is consistent with our historical operating model which allowed us to operate using only cash generated by the business. Beyond the next 12 months we believe that our cash flow from operations should improve as supply chain operations normalize and new suppliers we are bringing online transition to credit terms more favorable to us. In addition, we plan to increase the size of our in-house product catalog, which will have a net beneficial impact to our margin profile and ability to generate cash. Currently, we have approximately \$1.0 million in unused credit under the revolving line with JPM.

Given our current working capital position and available funding from our revolving credit line and proceeds from our June 2024 registered direct offering, we believe we will be able to work through the current challenges by managing payment terms with customers and vendors.

Working Capital

As of September 30, 2025 and June 30, 2025, our working capital was \$4.1 million and \$4.9 million, 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. We anticipate that past historical trends to remain in place through the balance of the fiscal year with working capital remaining near this level for the foreseeable future.

Cash Flows

Operating Activities

Our largest source of cash provided by operations is from sales of products. Our primary uses of cash from operating activities include payments to suppliers for products, to employees for compensation, and other general expenses. Net cash provided by (used in) operating activities for the three months ended September 30, 2025 and 2024 was \$1,686,463 and \$(1,415,643), respectively. The increase in cash provided by operating activities mainly resulted from an increase in cash received from customers, which was partially offset by an increase in cash paid for cost of revenues and operating expenses.

Investing Activities

Net cash used in investing activities for the three months ended September 30, 2025 and 2024 was \$1,037,272 and \$202,140, respectively. The increase was mainly due to deconsolidation of VIE cash, payments made for investment in joint venture and prepayments made for software developments during the quarter ended September 30, 2025.

Financing Activities

Net cash used in financing activities was \$1,778,026 and \$3,308,599, respectively, for the three months ended September 30, 2025 and 2024. The decrease in net cash used in financing activities was primarily due to a decrease in payments on the revolving loan.

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 financial statements in accordance with accounting principles generally accepted in the United States, or GAAP, and pursuant to the rules and regulations of the SEC. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated 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 unaudited condensed consolidated 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 unaudited condensed consolidated financial statements.

Revenue recognition

The Company recognizes revenues from service and product sales, 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 or completion of service, therefore, revenue from product sales is recognized when it is shipped to the customer and the revenue from services is recognized upon completion of services. 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 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 sales are recorded. 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.

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, which includes the amount withheld by sales channel partners and refundable to the Company. Based on historical an expected loss rate and status of negotiations with the sales channel partner, management reviews its accounts receivable balances each reporting period to determine if an allowance for credit loss is required.

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 its 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.

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 overall economic conditions on our customers' industry and businesses and their ability to pay our 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 recent tariff policy. In the event we recover amounts previously written off, we will reduce the specific allowance for credit losses.

Inventories, net

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 inventory and costs 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 and fulfillment 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 and obsolescence and records allowance for obsolescence.

Variable interest entities

On February 15, 2022, the Company acquired 100% of the ordinary shares of Anivia and its subsidiaries, including Daheshou (Shenzhen) Information Technology Co., Ltd., a company organized under the Laws of the PRC ("DHS"). Pursuant to the terms of the Agreements, the Company does not have direct ownership in DHS but is actively involved in DHS's operations as the sole manager to direct the activities and significantly impact DHS's economic performance. DHS's operational funding has been provided by the Company following the February 15, 2022 acquisition. During the term of the Agreements, the Company bears all the risk of loss and has the right to receive all of the benefits from DHS. As such, based on the determination that the Company is the primary beneficiary of DHS, in accordance with ASC 810-10-25-38A through 25-38J, DHS is considered a VIE of the Company and the financial statements of DHS have been consolidated from the date such control existed, February 15, 2022.

On August 4, 2025, the Company entered into a Variable Interest Entity ("VIE") Contract Termination Agreement with the VIE, pursuant to which all VIE agreements were terminated. As a result, the Company no longer has a controlling financial interest in the VIE. In accordance with ASC 810-10-40, *Consolidation — Deconsolidation of a Subsidiary or Derecognition of a Group of Assets*, the Company deconsolidated the VIE as of the termination date.

Upon deconsolidation, the Company derecognized all assets and liabilities of the VIE from its consolidated balance sheet. Because the Company retains no ownership interest or continuing involvement in the VIE following the termination of the agreements, no retained interest was recognized.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed. The Company accounts for goodwill under *ASC Topic 350, Intangibles-Goodwill and Other*.

Goodwill is not amortized but is reviewed for potential impairment on an annual basis, or if events or circumstances indicate a potential impairment, at the reporting unit level. The Company's review for impairment includes an assessment of qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill. If it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, including goodwill, a quantitative goodwill impairment test is performed, which compares the fair value of the reporting unit with its carrying amounts, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. However, if the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

During the three months ended September 30, 2025 and 2024, the Company performed a qualitative goodwill impairment analysis following the steps laid out in ASC 350-20-35-3C and noted no goodwill impairment. As of September 30, 2025 and June 30, 2025, the goodwill balance amounted to \$3,034,110 and \$3,034,110, respectively.

Intangible Assets, net

Finite life intangible assets at September 30, 2025 include a covenant not to compete, supplier relationships and software recognized as part of the acquisition of Anivia. Intangible assets are recorded at the estimated fair value of these items at the date of acquisition, February 15, 2022. Intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

	Useful Life
Covenant Not to Compete	10 years
Supplier relationship	6 years
Software	5 years

The Company reviews the recoverability of long-lived assets, including intangible assets, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations. The Company did not record any impairment charge for the three months ended September 30, 2025 and 2024.

Stock-based Compensation

The Company applies ASC No. 718, "Compensation-Stock Compensation," which requires that share-based payment transactions with employees and nonemployees upon adoption of ASU 2018-07, be measured based on the grant date fair value of the equity instrument and recognized as compensation expense over the requisite service period, with a corresponding addition to equity. Under this method, compensation cost related to employee share options or similar equity instruments is measured at the grant date based on the fair value of the award and is recognized over the period during which an employee is required to provide service in exchange for the award, which generally is the vesting period. In addition to the requisite service period, the Company also evaluates the performance condition and market condition under ASC 718-10-20. For an award that contains both a performance and a market condition, and where both conditions must be satisfied in order for the award to vest, the market condition is incorporated into the fair value of the award, and that fair value is recognized over the employee's requisite service period or nonemployee's vesting period if it is probable that the performance condition will be met. If the performance condition is ultimately not met, compensation cost related to the award should not be recognized (or should be reversed) because the vesting condition in the award has not been satisfied.

The Company will recognize forfeitures of such equity-based compensation as they occur.

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. A valuation allowance must be established for deferred tax assets when it is more-likely-than-not (a probability level of more than 50%) that they will not be realized. Valuation allowances are recorded, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company 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 does 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, Income Taxes. 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.

Recently issued accounting pronouncements

Other than as set forth under Note 2 to the unaudited condensed consolidated financial statements under "Recently issued accounting pronouncements," 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As a "smaller reporting company," we are not required to provide the information required by this Item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow for timely decisions regarding required disclosure.

As of September 30, 2025, our management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, our management concluded that our internal controls over financial reporting were not effective because, among other things, our controls related to the financial statements closing process were not adequately designed or appropriately implemented to identify material misstatements in our financial reporting on a timely basis. Management has evaluated remediation plans to address these deficiencies and is implementing changes to address the material weakness identified, including hiring additional accountants and consultants and implementing controls and procedures over the financial reporting process.

Changes in Internal Controls

There have been no changes in our internal controls over financial reporting that occurred during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are not presently party to any pending or 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.

ITEM 1A. RISK FACTORS

We refer to Part I, Item 1A, Risk Factors, of our Annual Report on Form 10-K for the year ended June 30, 2025 for a detailed description of our significant risk factors. As of September 30, 2025, there have been no material changes from those risk factors disclosed in our Annual Report on Form 10-K for the year ended June 30, 2025.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

During our fiscal quarter ended September 30, 2025, none of our directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement” as those terms are defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS

The following exhibits are filed or furnished with this report:

Exhibit No.	Description of Exhibit
3.1	Sixth Amended and Restated Articles of Incorporation of iPower Inc. (incorporated by reference to Exhibit 3.3 to Amendment No. 3 to the Registration Statement on Form S-1 filed May 5, 2021).
3.2	Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed October 21, 2025).
3.3	Third Amended and Restated Bylaws of iPower Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on June 11, 2025).
21.1	Subsidiaries of the Registrant *
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 **
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Schema Document
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Data
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** Furnished herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

iPower Inc.

November 14, 2025

By: _____ /s/ Chenlong Tan
Chenlong Tan
Chief Executive Officer, President and Interim Chief Financial
Officer
Principal Executive Officer and
Principal Financial and Accounting Officer

Exhibit 21.1**Subsidiaries of the Registrant
as of September 30, 2025**

Company	State or Other Jurisdiction of Organization
E Marketing Solutions Inc.	California
Global Products Marketing Inc.	Nevada
Anivia Limited	British Virgin Islands
Fly Elephant Limited	Hong Kong
Dayourenzai (Shenzhen) Technology Co., Ltd.	People's Republic of China

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chenlong Tan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2025 of iPower Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 14, 2025

/s/ Chenlong Tan

Chenlong Tan
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chenlong Tan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ended September 30, 2025 of iPower Inc. (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: November 14, 2025

/s/ Chenlong Tan

Chenlong Tan

Interim Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of iPower Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chenlong Tan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: November 14, 2025

/s/ Chenlong Tan

Chenlong Tan
Chief Executive Officer
(Principal Executive Officer)

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

In connection with the Quarterly Report of iPower Inc. (the "Company") on Form 10-Q for the period ended September 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Chenlong Tan, Interim Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: November 14, 2025

/s/ Chenlong Tan

Chenlong Tan

Interim Chief Financial Officer

(Principal Financial and Accounting Officer)