

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 June 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: 001-40710

Tigo Energy, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
983 University Avenue, Suite B,
Los Gatos, California
(Address of principal executive offices)

83-3583873
(I.R.S. Employer
Identification No.)

95032
(Zip Code)

Registrant’s telephone number, including area code: (408) 402-0802

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	TYGO	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, 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 ☒

As of July 31, 2025, the registrant had 65,740,057 shares of common stock, \$0.0001 par value per share, outstanding.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that are “forward-looking looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding the financial position, business strategy and the plans and objectives of management for future operations. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report on Form 10-Q, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strive,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. When the Company discusses its strategies or plans, the Company is making projections, forecasts or forward-looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, the Company’s management.

Forward-looking statements in this Quarterly Report on Form 10-Q may include, for example, statements about:

- the Company’s ability to meet future liquidity requirements, including our ability to continue as a going concern, which will likely require us to explore refinancing our existing debt and/or raise additional capital in the future;
- the projected financial information and market opportunities of the Company;
- the Company’s ability to meet the continued listing requirements of Nasdaq;
- the Company’s ability to develop and sell its product offerings and services;
- the Company’s ability to manage risks associated with seasonal trends and the cyclical nature of the solar industry;
- the potential liquidity and trading of the Company’s securities;
- the Company’s ability to acquire and protect intellectual property;
- the Company’s ability to manage risks associated with the Company’s dependence on a small number of outside contract manufacturers, primarily in China and Thailand;
- the Company’s ability to continue working with leading solar manufacturers;
- the Company’s ability to respond to fluctuations in foreign currency exchange rates, trade tariffs or other trade barriers, and political unrest and regulatory changes in the markets into which the Company expands or otherwise operates in;
- the Company’s ability to enhance future operating and financial results;
- the Company’s ability to forecast demand accurately and monetize its inventory on-hand;
- the Company’s ability to retain or recruit, or changes required in, its officers, key employees or directors;
- the Company’s ability to implement and maintain effective internal controls; and
- factors relating to the Company’s business, operations and financial performance, including:
 - o the Company’s ability to comply with laws and regulations applicable to its business;
 - o market conditions and global and economic factors beyond the Company’s control;
 - o the Company’s ability to compete in the highly competitive and evolving solar industry;
 - o the Company’s ability to continue to develop new products and innovations to meet constantly evolving customer demands;
 - o the Company’s ability to enter into, successfully maintain and manage relationships with partners and distributors; and
 - o the Company’s ability to acquire or make investments in other businesses, patents, technologies, products or services to grow the business, and realize the anticipated benefits therefrom.

The Company cautions you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q. These forward-looking statements are only predictions based on the Company’s current expectations and projections about future events and are subject to a number of risks, uncertainties and assumptions, including those described in this Quarterly Report on Form 10-Q, in particular the risks described in Part II, Item 1A, “Risk Factors” of this Quarterly Report and in Part I, Item 1A, “Risk Factors” in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the

“SEC”) on March 20, 2025 (the “2024 Annual Report”) and the Company’s other filings with the SEC. It is not possible for the management of the Company to predict all risks, nor can the Company assess the impact of all factors on the Company’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report on Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements in this Quarterly Report on Form 10-Q.

The forward-looking statements included in this Quarterly Report on Form 10-Q are made only as of the date hereof. You should not rely upon forward-looking statements as predictions of future events. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, the Company cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. The Company does not undertake any obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to actual results or to changes in expectations, except as required by law. You should read this Quarterly Report on Form 10-Q and the documents that have been filed as exhibits hereto with the understanding that the actual future results, levels of activity, performance, events and circumstances of the Company may be materially different from what is expected.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

TIGO ENERGY, INC. CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands, except per share data) (Unaudited)

	June 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,212	\$ 11,746
Marketable securities, short-term	17,804	8,156
Accounts receivable, net of allowance for credit losses of \$2,077 and \$2,239 at June 30, 2025, and December 31, 2024, respectively	10,395	7,976
Inventory	18,927	21,997
Prepaid expenses and other current assets	3,014	3,533
Total current assets	60,352	53,408
Property and equipment, net	2,537	2,812
Operating right of use assets	2,701	1,576
Intangible assets, net	1,787	1,922
Other assets	1,059	984
Goodwill	12,209	12,209
Total assets	\$ 80,645	\$ 72,911
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 14,226	\$ 8,077
Accrued expenses and other current liabilities	6,823	7,361
Short-term debt, net of unamortized debt discount and issuance costs	44,981	—
Deferred revenue, current portion	724	525
Warranty liability, current portion	556	496
Operating lease liabilities, current portion	692	649
Total current liabilities	68,002	17,108
Warranty liability, net of current portion	7,571	5,302
Deferred revenue, net of current portion	898	644
Long-term debt, net of unamortized debt discount and issuance costs	—	40,511
Operating lease liabilities, net of current portion	2,210	961
Other long-term liabilities	272	—
Total liabilities	78,953	64,526
Commitments and Contingencies (Note 8)		
Stockholders' equity		
Common stock, \$0.0001 par value: 150,000,000 shares authorized; 62,628,790 and 60,800,130 shares issued and outstanding at June 30, 2025, and December 31, 2024, respectively	6	6
Additional paid-in capital	151,646	146,903
Accumulated deficit	(149,957)	(138,526)
Accumulated other comprehensive income	(3)	2
Total stockholders' equity	1,692	8,385
Total liabilities and stockholders' equity	\$ 80,645	\$ 72,911

See accompanying notes to condensed consolidated financial statements.

TIGO ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net revenue	\$ 24,055	\$ 12,701	\$ 42,894	\$ 22,503
Cost of revenue	13,292	8,834	24,958	15,870
Gross profit	10,763	3,867	17,936	6,633
Operating expenses:				
Research and development	2,267	2,704	4,431	5,175
Sales and marketing	4,412	4,055	8,328	8,658
General and administrative	5,588	5,511	10,658	10,291
Total operating expenses	12,267	12,270	23,417	24,124
Loss from operations	(1,504)	(8,403)	(5,481)	(17,491)
Other expenses (income), net:				
Change in fair value of contingent shares liability	—	41	—	(155)
Interest expense	2,868	2,862	5,739	5,688
Other income, net	(100)	(1)	(243)	(213)
Total other expenses, net	2,768	2,902	5,496	5,320
Loss before income tax expense	(4,272)	(11,305)	(10,977)	(22,811)
Income tax expense	158	16	454	16
Net loss	\$ (4,430)	\$ (11,321)	\$ (11,431)	\$ (22,827)
Other comprehensive loss:				
Unrealized (loss) gain resulting from change in fair value of marketable securities	\$ (3)	\$ 24	\$ (5)	\$ 36
Total comprehensive loss	\$ (4,433)	\$ (11,297)	\$ (11,436)	\$ (22,791)
Loss per common share				
Basic	\$ (0.07)	\$ (0.19)	\$ (0.18)	\$ (0.38)
Diluted	\$ (0.07)	\$ (0.19)	\$ (0.18)	\$ (0.38)
Weighted-average common shares outstanding				
Basic	62,290,411	60,363,680	61,977,574	59,874,991
Diluted	62,290,411	60,363,680	61,977,574	59,874,991

See accompanying notes to condensed consolidated financial statements.

TIGO ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)

	Stockholders' equity					
	Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive gain (loss)	Total stockholders' equity
	Shares	Amount				
Balance at December 31, 2024	60,800,130	\$ 6	\$ 146,903	\$ (138,526)	\$ 2	\$ 8,385
Issuance of common stock upon exercise of stock options	2,334	—	2	—	—	2
Stock-based compensation expense	—	—	1,576	—	—	1,576
Issuance of common stock in connection with employee incentive restricted stock awards	127,500	—	—	—	—	—
Issuance of common stock in connection with at-the-market offering, net of offering costs	984,966	—	815	—	—	815
Shares withheld for taxes upon restricted stock awards vesting	(411)	—	—	—	—	—
Unrealized loss resulting from change in fair value of marketable securities	—	—	—	—	(2)	(2)
Net loss	—	—	—	(7,001)	—	(7,001)
Balance at March 31, 2025	<u>61,914,519</u>	<u>\$ 6</u>	<u>\$ 149,296</u>	<u>\$ (145,527)</u>	<u>\$ —</u>	<u>\$ 3,775</u>
Issuance of common stock upon exercise of stock options	160,019	—	95	—	—	95
Stock-based compensation expense	—	—	2,300	—	—	2,300
Issuance of common stock in connection with employee incentive restricted stock awards	554,938	—	—	—	—	—
Issuance of common stock in connection with at-the-market offering, net of offering costs	2,243	—	(42)	—	—	(42)
Shares withheld for taxes upon restricted stock awards vesting	(2,929)	—	(3)	—	—	(3)
Unrealized loss resulting from change in fair value of marketable securities	—	—	—	—	(3)	(3)
Net loss	—	—	—	(4,430)	—	(4,430)
Balance at June 30, 2025	<u>62,628,790</u>	<u>\$ 6</u>	<u>\$ 151,646</u>	<u>\$ (149,957)</u>	<u>\$ (3)</u>	<u>\$ 1,692</u>

See accompanying notes to condensed consolidated financial statements.

TIGO ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands, except share data)
(Unaudited)

	Stockholders' equity						
	Common stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) gain	Total stockholders' equity
	Shares	Amount					
Balance at December 31, 2023	58,751,666	\$ 6	\$	138,657	\$ (75,780)	\$ (59)	\$ 62,824
Issuance of common stock upon exercise of stock options	755,016	—		250	—	—	250
Stock-based compensation expense	—	—		2,505	—	—	2,505
Issuance of common stock in connection with the acquisition of fSight	166,271	—		239	—	—	239
Issuance of common stock in connection with employee incentive restricted stock awards	685,213	—		—	—	—	—
Unrealized gain resulting from change in fair value of marketable securities	—	—		—	—	12	12
Net loss	—	—		—	(11,506)	—	(11,506)
Balance at March 31, 2024	<u>60,358,166</u>	<u>\$ 6</u>	<u>\$</u>	<u>141,651</u>	<u>(87,286)</u>	<u>(47)</u>	<u>\$ 54,324</u>
Issuance of common stock upon exercise of stock options	13,821	—		10	—	—	10
Stock-based compensation expense	—	—		1,703	—	—	1,703
Unrealized gain resulting from change in fair value of marketable securities	—	—		—	—	24	24
Net loss	—	—		—	(11,321)	—	(11,321)
Balance at June 30, 2024	<u>60,371,987</u>	<u>\$ 6</u>	<u>\$</u>	<u>143,364</u>	<u>(98,607)</u>	<u>(23)</u>	<u>\$ 44,740</u>

See accompanying notes to condensed consolidated financial statements.

TIGO ENERGY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (11,431)	\$ (22,827)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	642	612
Provision to write down inventories to net realizable value	98	458
Change in fair value of contingent shares liability	—	(155)
Non-cash interest expense	4,470	4,470
Stock-based compensation	3,876	4,208
Change in allowance for credit losses	(125)	(1,434)
Non-cash lease expense	508	619
Accretion of interest on marketable securities	(253)	(163)
Loss on disposal of property and equipment	11	—
Changes in operating assets and liabilities:		
Accounts receivable	(2,294)	1,379
Inventory	2,972	9,632
Prepaid expenses and other assets	444	687
Accounts payable	6,149	(8,392)
Accrued expenses and other liabilities	(538)	(1,648)
Deferred revenue	453	178
Warranty liability	2,329	145
Operating lease liabilities	(341)	(641)
Other long-term liabilities	272	—
Net cash provided by (used in) operating activities	\$ 7,242	\$ (12,872)
Cash flows from investing activities:		
Purchase of marketable securities	(19,025)	—
Purchase of property and equipment	(243)	(418)
Sales and maturities of marketable securities	9,625	23,768
Net cash (used in) provided by investing activities	\$ (9,643)	\$ 23,350
Cash flows from financing activities:		
Proceeds from exercise of stock options	97	260
Proceeds from at-the-market offering	773	—
Payment of tax withholdings on restricted stock awards	(3)	—
Net cash provided by financing activities	\$ 867	\$ 260
Net (decrease) increase in cash and cash equivalents	(1,534)	10,738
Cash and cash equivalents at beginning of period	11,746	4,405
Cash and cash equivalents at end of period	\$ 10,212	\$ 15,143

	Six Months Ended June 30,	
(in thousands)	2025	2024
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 1,267	\$ 1,250
Cash paid for income taxes	\$ 44	\$ 373
Supplemental schedule of non-cash investing and financing activities:		
Operating lease right of use assets obtained in exchange for operating lease liabilities	\$ 1,633	\$ 126
Property and equipment in accounts payable	\$ —	\$ 31
Non-cash consideration paid for fSight acquisition	\$ —	\$ 239
Contingent shares liability from fSight acquisition	\$ —	\$ 132
Unrealized (loss) gain resulting from change in fair value of marketable securities	\$ (5)	\$ 36

See accompanying notes to condensed consolidated financial statements.

TIGO ENERGY, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Nature of Operations

Tigo Energy, Inc. (f/k/a Roth CH Acquisition IV Co.) and subsidiaries (together, the “Company”) consists of Tigo Energy, Inc. (“Tigo”), its wholly-owned direct and indirect subsidiaries: Tigo Energy MergeCo, Inc. (f/k/a Tigo Energy, Inc.) (“Legacy Tigo”), Tigo Energy Brasil Ltda., Tigo Energy Philippines Inc., Tigo Energy Israel Ltd., Tigo Energy AI Ltd. (f/k/a Foresight Energy, Ltd. (“fSight”)), Tigo Energy Italy SRL, Tigo Energy Equipment Trading (Suzhou) Co., Ltd. and Tigo Energy Australia Pty Ltd. Prior to the consummation of the Business Combination (as defined below), the operations of the Company were conducted through Legacy Tigo. Legacy Tigo was incorporated in Delaware in 2007 and commenced operations in 2010.

The Company provides solar and energy storage solutions, including module level power electronics (“MLPE”) designed to maximize the energy output of individual solar modules, delivering more energy, active management, and enhanced safety for utility, commercial, and residential solar arrays. By combining its MLPE and solar optimizer technology with intelligent, cloud-based software capabilities, the Company enables advanced energy monitoring, system diagnostics, and real-time control. These smart hardware and software solutions enhance system performance, lower operating costs, and ensure compliance with safety regulations, including rapid shutdown requirements. In addition to MLPE, the Company develops and manufactures inverters and battery storage systems for the residential solar-plus storage market, further expanding its suite of solutions for efficient and reliable energy management. The Company is headquartered in Los Gatos, California, with offices in Europe, Asia, and the Middle East.

Entry into a Material Definitive Agreement

On December 5, 2022, Roth CH Acquisition IV Co., a Delaware corporation (“ROCG”), Roth IV Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of ROCG (“Merger Sub”), and Legacy Tigo, entered into an Agreement and Plan of Merger, as amended on April 6, 2023 (the “Merger Agreement”), pursuant to which, among other transactions, on May 23, 2023 (the “Closing Date”), Merger Sub merged with and into Legacy Tigo (the “Merger”), with Legacy Tigo surviving the Merger as a wholly-owned subsidiary of ROCG (the Merger, together with the other transactions described in the Merger Agreement, the “Business Combination”). In connection with the closing of the Business Combination, ROCG changed its name to “Tigo Energy, Inc.”

Pursuant to the Business Combination, the merger between ROCG and Legacy Tigo was accounted for as a reverse recapitalization in accordance with U.S. GAAP (the “Reverse Recapitalization”). Under this method of accounting, ROCG was treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the Reverse Recapitalization was treated as the equivalent of Legacy Tigo issuing stock for the net assets of ROCG, accompanied by a recapitalization. The financial statements of the Company represent a continuation of the financial statements of Legacy Tigo with the Business Combination being treated as the equivalent of Legacy Tigo issuing stock for the net assets of ROCG, accompanied by a recapitalization.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) promulgated by the Financial Accounting Standards Board (“FASB”). The condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

The Company has determined the functional currency of the subsidiaries to be the U.S. dollar. The Company remeasures monetary assets and liabilities of its foreign operations at exchange rates in effect at the balance sheet date and nonmonetary assets and liabilities at their historical exchange rates. Expenses are remeasured at the weighted-average exchange rates during the relevant reporting period. These remeasurement gains and losses are recorded in other income, net in the condensed consolidated statements of operations and comprehensive loss and were not material for the three and six months ended June 30, 2025, and 2024.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all normal and recurring adjustments (which consist primarily of accruals, estimates and assumptions that impact the unaudited condensed consolidated financial statements) considered necessary to present fairly Tigo’s condensed consolidated balance sheet as of June 30, 2025 and its condensed consolidated statements of operations and comprehensive loss, cash flows, and stockholders’ equity for the three and six months ended June 30, 2025, and 2024. Operating results for the three and six months ended June 30, 2025, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2025. The unaudited condensed consolidated financial

Tigo Energy, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

statements, presented herein, do not contain all of the required disclosures under GAAP for annual consolidated financial statements. The condensed consolidated balance sheet as of December 31, 2024, has been derived from the audited consolidated balance sheet as of that date. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on March 20, 2025.

2. Summary of Significant Accounting Policies

The Company's significant accounting policies are described in Note 2 to its audited consolidated financial statements for the year ended December 31, 2024, which are included in the Company's Annual Report on Form 10-K filed with the SEC on March 20, 2025.

Liquidity and Going Concern

In accordance with *ASU No. 2014-15, "Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern"* ("Subtopic 205-40"), the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

As of June 30, 2025, the Company had cash and cash equivalents of \$10.2 million and negative net working capital, which we define as current assets less current liabilities, of \$7.7 million. The Convertible Promissory Note (as defined in Note 7, "Debt," below), has an aggregate principal amount outstanding of \$50.0 million as of June 30, 2025, and a maturity date of January 9, 2026. As of the date of this filing, the Company does not have sufficient cash, cash equivalents and marketable securities to repay this obligation. Management determined as a result of this evaluation, the Company's current cash, net working capital position, and the upcoming maturity date of its Convertible Promissory Note, raises substantial doubt about the Company's ability to continue as a going concern.

The Company is exploring options for the refinancing of, or other transactions to facilitate the payment of, the Convertible Promissory Note. The Company's ability to raise capital may be constrained by the price of and demand for the Company's common stock. Additional capital may not be available on favorable terms or at all, and could further dilute our current stockholders. Management cannot conclude as of the date of this filing that its plans are probable of being successfully implemented. There can be no assurance that the Company will be able to raise sufficient additional capital or obtain financing that will provide it with sufficient liquidity to satisfy its Convertible Promissory Note obligation in January 2026.

The condensed consolidated financial statements have been prepared on a basis that assumes the Company will continue as a going concern which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business. Accordingly, the accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Use of Estimates

The preparation of the condensed consolidated financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Key estimates in the condensed consolidated financial statements include revenue recognition, fair value of investments, allowance for credit allowances, inventory valuation, impairment of long-lived assets, fair value of acquired intangible assets and goodwill, useful lives of acquired intangible assets and property and equipment, product warranty liabilities, incremental borrowing rate for right of use assets and lease liability, valuation allowance on deferred tax assets, assessment of probability of vesting of performance-based equity awards and stock-based compensation, including the underlying fair value of the common stock. These estimates are based on information available as of the date of the financial statements; therefore, actual results could differ materially from those estimates due to risks and uncertainties.

Segment Information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker (“CODM”), or decision-making group, in deciding how to allocate resources and in assessing performance. The Company’s CODM is the Chief Executive Officer (the “CEO”). The Company has one business activity — the design, development and sale of solar energy optimization solutions. There are no segment managers who are held accountable for operations, operating results or plans for levels or components below the consolidated unit level. Accordingly, management has determined that the Company has a single operating and reportable segment. The CODM assesses performance for the Company, monitors budget versus actual results and determines how to allocate resources based on consolidated net loss as reported in the condensed consolidated statements of operations and comprehensive loss. There are no other significant expense categories regularly provided to the CODM that are not already included in the primary financial statements herein.

Recently issued accounting pronouncements not yet adopted

In December 2023, the FASB issued *ASU No. 2023-09, “Improvements to Income Tax Disclosures”* (“Topic 740”). This ASU requires disaggregated information about a reporting entity’s effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024, although retrospective application is permitted. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. The Company is currently evaluating the impact that adopting this ASU will have on the Company’s income tax-related disclosures.

In November 2024, the FASB issued *ASU 2024-03, “Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures”* (“Subtopic 220-40”): *Disaggregation of Income (Loss) Statement Expenses* (“ASU 2024-03”). ASU 2024-03 requires disaggregation of certain costs and expenses included in each relevant expense caption on the Company’s condensed consolidated statements of operations and comprehensive loss in a separate note to the financial statements at each interim and annual reporting period, including amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization. ASU 2024-04 is effective fiscal years beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03.

3. Net Loss Per Share

Basic net loss per share of common stock is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during each period, without consideration for potential dilutive shares of common stock. Diluted net loss per share of common stock is computed by dividing the net loss by the weighted-average number of common share equivalents outstanding for the period determined using the treasury-stock method and if-converted method, as applicable. In periods in which the Company reports a net loss, diluted net loss per share will be the same as basic net loss per share since dilutive shares are not assumed to have been issued if their effect is antidilutive. As a result, for the periods in which the Company experienced a net loss, the weighted-average shares used to calculate both basic and diluted net loss per share are the same.

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The following table sets forth the computation of basic and diluted net loss per share to common stockholders:

(in thousands, except share and per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Numerator:				
Net loss	\$ (4,430)	\$ (11,321)	\$ (11,431)	\$ (22,827)
Denominator:				
Weighted-average shares of common stock outstanding – basic and diluted	62,290,411	60,363,680	61,977,574	59,874,991
Net loss per share of common stock – basic	\$ (0.07)	\$ (0.19)	\$ (0.18)	\$ (0.38)
Net loss per share of common stock – diluted	\$ (0.07)	\$ (0.19)	\$ (0.18)	\$ (0.38)

The Company excluded the effect of the below elements from our calculation of diluted loss per share, as their inclusion would have been anti-dilutive. These amounts represent the number of instruments outstanding at the end of the period.

	As of June 30,	
	2025	2024
Outstanding stock options, performance stock units and restricted stock units	4,501,506	3,267,452
Convertible promissory note	5,305,861	5,305,861
	<u>9,807,367</u>	<u>8,573,313</u>

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4. Fair Value of Financial Instruments

Fair Value Measurements

The Company measures its financial assets and liabilities at fair value on a recurring basis using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Authoritative guidance establishes three levels of the fair value hierarchy as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities;

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which significant inputs and significant value drivers are observable in active markets; and

Level 3: Fair value measurements derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following fair value hierarchy table presents information about the Company's assets and liabilities measured at fair value on a recurring basis:

(in thousands)	Fair value measurement at reporting date using		
	(Level 1)	(Level 2)	(Level 3)
June 30, 2025			
Assets:			
Cash equivalents:			
Money market accounts	\$ 69	\$ —	\$ —
U.S. agency securities	\$ —	\$ 1,987	\$ —
Marketable securities:			
U.S. agency securities	\$ —	\$ 17,804	\$ —
December 31, 2024			
Assets:			
Cash equivalents:			
Money market accounts	\$ 6,839	\$ —	\$ —
U.S. agency securities	\$ —	\$ 499	\$ —
Marketable securities:			
Corporate bonds	\$ —	\$ 2,018	\$ —
U.S. agency securities	\$ —	\$ 6,138	\$ —

During the three and six months ended June 30, 2025, there were no transfers between Level 1, Level 2 and Level 3.

The following is a summary of the changes in fair value of the Company's marketable securities as of June 30, 2025, and December 31, 2024, respectively:

(in thousands)	As of June 30, 2025			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale marketable securities:				
Current assets				
U.S. agency securities	\$ 17,807	\$ —	\$ (3)	\$ 17,804
Total available-for-sale marketable securities	<u>\$ 17,807</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 17,804</u>
(in thousands)	As of December 31, 2024			
	Amortized cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale marketable securities:				
Current assets				
Corporate bonds	\$ 2,019	\$ —	\$ (1)	\$ 2,018
U.S. agency securities	6,135	3	—	6,138
Total available-for-sale marketable securities	<u>\$ 8,154</u>	<u>\$ 3</u>	<u>\$ (1)</u>	<u>\$ 8,156</u>

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As of June 30, 2025, all available-for-sale marketable securities consisted of investments that mature within one year.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, marketable securities, accounts receivable, accounts payable, and customer deposits approximate fair value due to their short-term nature. As of June 30, 2025, the fair value and carrying value of the Company's Convertible Promissory Note (Note 7) was \$45.7 million and \$45.0 million, respectively. The estimated fair value for the Company's Convertible Promissory Note was based on discounted expected future cash flows using prevailing interest rates which are Level 3 inputs under the fair value hierarchy.

5. Revenue Recognition

Geographic Net Revenue

The Company sells its products in the Americas (North and South America), EMEA (Europe, Middle East, and Africa), and APAC (Asia-Pacific) regions.

The following table summarizes net revenue by major geographic region:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
EMEA ⁽¹⁾	\$ 18,259	\$ 6,998	\$ 29,811	\$ 12,787
Americas ⁽²⁾	4,595	2,835	9,314	5,572
APAC	1,201	2,868	3,769	4,144
Total net revenue	<u>\$ 24,055</u>	<u>\$ 12,701</u>	<u>\$ 42,894</u>	<u>\$ 22,503</u>

⁽¹⁾ Our net revenues generated from Germany, the Czech Republic, and Italy represented 22.6%, 20.4%, and 10.8% of our total net revenue for the three months ended June 30, 2025, respectively. Our net revenues generated from Germany, the Czech Republic, the United Kingdom, and Italy represented 19.3%, 16.1%, 11.6%, and 10.9% of our total net revenue for the six months ended June 30, 2025, respectively.

⁽²⁾ Our net revenues generated from the United States represented 17.4% and 19.5% of our total net revenue for the three and six months ended June 30, 2025, respectively.

Deferred Revenue

Deferred revenue or contract liabilities consists of payments received from customers in advance of revenue recognition for the Company's products and service. The current portion of deferred revenue represents the unearned revenue that will be earned within 12 months of the balance sheet date. Correspondingly, noncurrent deferred revenue represents the unearned revenue that will be earned after 12 months from the balance sheet date.

The following table summarizes the changes in deferred revenue:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Balance at the beginning of the period	\$ 1,378	\$ 1,051	\$ 1,169	\$ 801
Deferral of revenue	5,108	2,949	8,909	4,615
Recognition of unearned revenue	(4,864)	(3,021)	(8,456)	(4,437)
Balance at the end of the period	<u>\$ 1,622</u>	<u>\$ 979</u>	<u>\$ 1,622</u>	<u>\$ 979</u>

As of June 30, 2025, the Company expects to recognize \$1.6 million from remaining performance obligations over a weighted average term of 3.4 years. The Company recognized approximately \$0.3 million and \$0.6 million in revenue that was included in the beginning contract liabilities balance during the three and six months ended June 30, 2025, respectively. The Company recognized approximately \$0.3 million and \$0.5 million in revenue that was included in the beginning contract liabilities balance during the three and six months ended June 30, 2024, respectively.

Product Warranty

The Company estimates the cost of its warranty obligations based on several key estimates: the warranty period (which vary from 5 to 25 years depending on the product), its historical experience of known product failure rates, use of materials to repair or replace defective products and parts, and service delivery costs incurred in correcting product failures. In addition, from time to time, specific

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warranty accruals may be made if unforeseen technical problems arise. Should the actual experience relative to these factors differ from the estimates, the Company may be required to record additional warranty reserves. Product warranty costs are recorded as expense to cost of revenue based on customer history, historical information and current trends.

The following table summarizes the changes in product warranty liability:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Balance at the beginning of the period	\$ 7,324	\$ 5,479	\$ 5,798	\$ 5,632
Provision for warranty issued during period	986	550	1,349	688
Changes in estimate	(40)	(177)	1,240	(374)
Settlements	(143)	(75)	(260)	(169)
Balance at the end of the period	<u>\$ 8,127</u>	<u>\$ 5,777</u>	<u>\$ 8,127</u>	<u>\$ 5,777</u>

6. Supplementary Balance Sheet and Geographic Information

Selected financial data as of the dates presented below is as follows (in thousands, except useful life data):

	June 30, 2025	December 31, 2024
Inventory, net		
Raw materials	\$ 883	\$ 662
Finished goods	18,044	21,335
Inventory, net	<u>\$ 18,927</u>	<u>\$ 21,997</u>

The inventory reserve was \$17.9 million and \$24.1 million as of June 30, 2025, and December 31, 2024, respectively.

Property and equipment, net	Estimated Useful Life	June 30, 2025	December 31, 2024
Machinery and equipment	7 - 25 years	\$ 6,404	\$ 6,051
Vehicles	5 years	31	31
Computer software	5 years	212	212
Computer equipment	5 years	640	602
Furniture and fixtures	5 years	219	216
Leasehold improvements	3 - 6 years	76	465
Construction in progress		69	—
		7,651	7,577
Less: Accumulated depreciation		5,114	4,765
Property and equipment, net		<u>\$ 2,537</u>	<u>\$ 2,812</u>

For the three and six months ended June 30, 2025, the Company recorded depreciation expense of \$0.2 million and \$0.5 million, respectively. For the three and six months ended June 30, 2024, the Company recorded depreciation expense of \$0.3 million and \$0.5 million, respectively. Depreciation expense is recorded in the condensed consolidated statements of operations and comprehensive loss.

Accrued expenses and other current liabilities	June 30, 2025	December 31, 2024
Accrued vacation	\$ 994	\$ 924
Accrued compensation	2,235	1,119
Accrued interest	1,187	1,187
Accrued professional fees	520	894
Accrued warehouse and freight	181	917
Accrued other ⁽¹⁾	1,507	1,773
Other current liabilities	199	547
Accrued expenses and other current liabilities	<u>\$ 6,823</u>	<u>\$ 7,361</u>

⁽¹⁾ Accrued other as of June 30, 2025, and December 31, 2024, primarily consist of accrued expenses related to legal expense, insurance expense and sales discounts.

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(in thousands)	June 30, 2025	December 31, 2024
Allowance for credit losses, beginning balance	\$ 2,239	\$ 4,011
Net charges to recovery	(129)	(1,629)
Write-offs, net of recoveries	(33)	(143)
Allowance for credit losses, ending balance	<u>\$ 2,077</u>	<u>\$ 2,239</u>

Long-lived assets by Geographic Region

The following table presents the Company's long-lived assets, which consist of tangible property and equipment, net of depreciation, and operating ROU assets, by geographic region (in thousands):

Long-lived assets	June 30, 2025	December 31, 2024
EMEA ⁽¹⁾	\$ 1,348	\$ 1,545
Americas ⁽²⁾	2,031	719
APAC ⁽³⁾	1,859	2,124
Total long-lived assets	<u>\$ 5,238</u>	<u>\$ 4,388</u>

⁽¹⁾ As of June 30, 2025, and December 31, 2024, 19.9% and 26.6% of the Company's total long-lived assets were located in Israel, respectively.

⁽²⁾ As of June 30, 2025, and December 31, 2024, 38.8% and 16.4% of the Company's total long-lived assets were located in the U.S., respectively.

⁽³⁾ As of June 30, 2025, 25.4% and 10.1% of the Company's total long-lived assets were located in Thailand and China, respectively. As of December 31, 2024, 35.5% and 13.0% of the Company's total long-lived assets were located in Thailand and China, respectively.

7. Debt

The Company's debt consisted of the following (in thousands):

	June 30, 2025	December 31, 2024
Convertible Promissory Note	\$ 50,000	\$ 50,000
Less: short-term debt, net of unamortized debt discount and issuance costs ⁽¹⁾	(44,981)	—
Less: unamortized debt discount and issuance costs	(5,019)	(9,489)
Long-term debt, net of unamortized debt discount and issuance costs	<u>\$ —</u>	<u>\$ 40,511</u>

⁽¹⁾ On January 9, 2025, the Convertible Promissory Note was reclassified from non-current liabilities to current liabilities as the maturity date falls within the twelve months of the reporting date. As of June 30, 2025, the outstanding balance of the Convertible Promissory Note is presented within current liabilities as "Short-term debt, net of unamortized debt discount and issuance costs."

Convertible Promissory Notes

On January 9, 2023, the Company entered into the Note Purchase Agreement ("Note Purchase Agreement") with L1 Energy Capital Management S.a.r.l. ("L1 Energy") pursuant to which the Company issued the Convertible Promissory Note in the aggregate principal amount of \$50.0 million (the "Convertible Promissory Note"). Outstanding borrowings under the Convertible Promissory Note bears interest at a rate of 5.0% per year. The principal amount of the Convertible Promissory Note is due at the maturity date of January 9, 2026, and interest is payable semiannually. As of June 30, 2025, there was \$1.2 million of accrued interest in the condensed consolidated balance sheet.

Under the terms of the Note Purchase Agreement, the Convertible Promissory Note may be converted at the option of the note holder into the Company's common stock or an equivalent equity instrument resulting from a public company event. The conversion price is based on a pre-money valuation divided by the aggregate number of the Company's outstanding shares at the issuance date and adjusted for any cash dividends paid on the Company's capital stock. The conversion price and number of conversion shares are subject to standard anti-dilution adjustments. Upon a change of control event the note holder may (i) convert the Convertible Promissory Note immediately prior to the event into the Company's common stock at a conversion price equal to the lesser of the Convertible Promissory Note's original conversion price or the price per share of the Company's common stock implied by the change of control event transaction agreement or (ii) require the redemption of the Convertible Promissory Note in cash, including the payment of a make-whole amount of all unpaid interest that would have otherwise been payable had the Convertible Promissory Note remained outstanding through the maturity date. The Company's obligations under the Note Purchase Agreement may be accelerated, subject to customary grace and cure periods, upon the occurrence of an event of default. The Note Purchase Agreement defines events of default as the

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occurrence of any one of the following; 1) a default in payment of any part of principal or unpaid accrued interest on the Convertible Promissory Note when due and payable; 2) the Company issues a written statement that it is unable to pay its debts as they become due, or the Company files a voluntary petition for bankruptcy or insolvency proceeding, the Company, or its directors or majority shareholders take action looking to the dissolution or liquidation of the Company; 3) the involuntary bankruptcy of the Company defined as the commencement of any proceeding against the Company seeking any bankruptcy reorganization; 4) the Company defaults on any of its performance obligations under the Note Purchase Agreement; 5) any material portion of the assets of the Company or any subsidiary of the Company is seized or a levy is filed against such assets; 6) a default that remains uncured on any other agreement evidencing the indebtedness of the Company or its subsidiaries for an amount of \$10 million or more whose terms allow for the acceleration of the repayment of such indebtedness due to the consummation of the transactions contemplated in this Note Purchase Agreement.

Future aggregate principal maturities of debt are as follows as of June 30, 2025 (in thousands):

Remainder of 2025	\$	—
2026		50,000
2027		—
2028		—
2029		—
Thereafter		—
	\$	<u>50,000</u>

8. Commitments and Contingencies

Employment Agreements

The Company entered into employment agreements with key personnel providing compensation and severance in certain circumstances, as defined in the respective employment agreements.

Legal

In the normal course of business, the Company may become involved in litigation or legal disputes that are not covered by insurance. While the Company intends to vigorously defend itself with respect to such disputes, any potential outcomes resulting from such claims would be inherently difficult to quantify. The Company makes a provision for a liability relating to legal matters when it is both probable that a liability has been incurred, and the amount of the loss can be reasonably estimated. During the three and six months ended June 30, 2025, the Company did not record a material loss with respect to any legal claims or other legal matters arising in the normal course of business.

Indemnification Agreements

From time to time, in its normal course of business, the Company may indemnify other parties with which it enters into contractual relationships, including customers, lessors and parties to other transactions with the Company. The Company may agree to hold other parties harmless against specific losses, such as those that could arise from third-party claims or a breach of representation or covenant. It may not be possible to determine the maximum potential amount of liability under such indemnification agreements due to the unique facts and circumstances that are likely to be involved in each particular claim and indemnification provision. In addition, we believe the likelihood is remote that payments under any indemnification agreements described above will have a material effect on the Company's condensed consolidated financial statements.

The Company has also indemnified its Directors and Executive Officers, to the extent legally permissible, against all liabilities reasonably incurred in connection with any action in which such individual may be involved by reason of such individual being or having been a Director or Executive Officer.

The Company believes the current estimated fair value of any obligation from these indemnification agreements is minimal; therefore, these condensed consolidated financial statements do not include a liability for potential indemnification-related obligations at June 30, 2025.

9. Common and Preferred Stock

Common and Preferred Stock

The Company is authorized to issue 150,000,000 shares of Common Stock. Each share of Common Stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders.

The Company is authorized to issue 10,000,000 shares of Preferred Stock. As of June 30, 2025, there was no Preferred Stock outstanding.

Common Stock Reserved for Future Issuance

Shares of Common Stock reserved for future issuance were as follows:

	As of June 30, 2025
Stock options issued and outstanding	4,945,867
Restricted stock units issued and outstanding	2,127,500
Performance stock units issued and outstanding	1,760,048
Shares available for potential conversion of L1 Convertible Note	5,305,861
Shares available for grant under 2023 Equity Incentive Plan	2,759,187
	16,898,463

At-The-Market Offering Program

In November 2024, we entered into an At-The-Market Offering Agreement (the "ATM Agreement") with Craig-Hallum Capital Group LLC (the "Sales Agent"), allowing for the sale of common stock with an aggregate gross offering price of up to \$14.2 million (the "2024 ATM Program"). Under the ATM Agreement, the Sales Agent may sell shares in an "at-the-market" offering under Rule 415(a)(4) of the Securities Act, including sales on Nasdaq or other trading markets, to or through market makers, directly to the Sales Agent as principal, or in negotiated transactions at prevailing market prices. The offering of Shares pursuant to the ATM Agreement will terminate upon (a) five business days' advance notice from the Company to the Sales Agent or five business days' advance notice from the Sales Agent to the Company or (b) otherwise by mutual agreement of the parties pursuant to the terms of the ATM Agreement. Sales under the 2024 ATM Program are subject to a maximum commission of up to 3.0% of the gross proceeds per share sold through the Sales Agent.

The following is a summary of the shares issued under our 2024 ATM Program during the six months ended June 30, 2025 (in thousands except shares issued and average price per share):

Period Ended	Shares Issued	Average Net Price Per Share⁽¹⁾	Gross Proceeds	Net Proceeds
June 30, 2025	987,209	\$ 1.05	\$ 1,073	\$ 1,041

⁽¹⁾ Represents the average price per share after commission.

10. Stock-Based Compensation

The Company adopted the 2008 Stock Plan ("2008 Plan") under which it may issue stock options to purchase shares of common stock, and award restricted stock and stock appreciation rights to employees, Directors and consultants. The 2008 Plan expired in March 2018 and all award issuance therefore ceased. Options generally vest over a four-year period with a one-year cliff. The option term is no longer than five years for incentive stock options for which the grantee owns greater than 10% of the Company's capital stock and no longer than 10 years for all other options. The Company has a repurchase option on unvested restricted stock exercisable upon the voluntary or involuntary termination of the purchaser's employment with the Company for any reason. The Company's repurchase right lapses in accordance with the vesting terms. Options outstanding under the 2008 Plan will remain outstanding until they are exercised, canceled or expired.

In May 2018, the Company adopted the 2018 Stock Plan ("2018 Plan") under which the Company may issue stock options to purchase shares of common stock, and award restricted stock and stock appreciation rights to employees, Directors and consultants.

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Under the 2018 Plan, the Board of Directors may grant incentive stock options or non-qualified stock options. Incentive stock options may only be granted to Company employees. The 2018 Plan expired in May 2023 and all award issuance therefore ceased. The exercise price of incentive stock options and non-qualified stock options cannot be less than 100% of the fair value per share of the Company's common stock on the grant date. If an individual owns more than 10% of the Company's outstanding capital stock, the price of each share incentive stock option will be at least 110% of the fair value. Fair value was determined by the Board of Directors. Options generally vest over a four-year period with a one-year cliff. The option term is no longer than five years for incentive stock options for which the grantee owns greater than 10% of the Company's capital stock and no longer than 10 years for all other options. The Company has a repurchase option on unvested restricted stock exercisable upon the voluntary or involuntary termination of the purchaser's employment with the Company for any reason. The Company's repurchase right lapses in accordance with the vesting terms. Options outstanding under the 2018 Plan will remain outstanding until they are exercised, canceled or expire.

In May 2023, the Company adopted the 2023 Equity Incentive Plan ("2023 Plan") under which the Company may issue stock options to purchase shares of common stock, award restricted stock, restricted stock units ("RSU"), performance stock units ("PSUs"), dividend equivalents, stock appreciation rights, and other stock-based or cash-based awards to employees, Directors and consultants.

Stock options granted to newly hired employees generally vest over a four-year period, following the date of grant, with 25% vesting on the first anniversary of the grant date and the remaining vesting in equal monthly installments thereafter, and grants of additional stock options to employees generally vest in equal monthly installments over a four-year period with no cliff vesting. As of June 30, 2025, 500,819 stock options granted under the 2023 Plan had vested and were exercisable. There have been 1,258 stock options exercised under the 2023 Plan. The RSUs generally vest over a three-year period, following the date of grant, with a third of the award vesting on each year on the annual anniversary of the grant date.

Collectively, the 2008 Stock Plan, 2018 Stock Plan and the 2023 Equity Incentive Plan are referred to as "the Plans".

The Company measures stock-based awards at their grant-date fair value and records compensation expense on a straight-line basis over the vesting period of the awards. The Company also measures the PSU awards at their grant-date fair value and assumes that performance goals will be achieved. If the performance goals are not met, no compensation expense is recognized and any recognized compensation expense is reversed. The Company recorded stock-based compensation expense in the following expense categories in its accompanying condensed consolidated statements of operations and comprehensive loss:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of sales	\$ 18	\$ 31	\$ 39	\$ 95
Research and development	136	223	442	679
Sales and marketing	801	341	1,204	1,171
General and administrative	1,345	1,108	2,191	2,263
Total stock-based compensation	<u>\$ 2,300</u>	<u>\$ 1,703</u>	<u>\$ 3,876</u>	<u>\$ 4,208</u>

Option Exchange Program

On November 12, 2024, the Company commenced an offer to certain eligible employees and directors the opportunity to exchange certain outstanding options to purchase shares of common stock, for new options ("Replacement Options") to purchase a number of shares of our common stock (the "Option Exchange"). The Option Exchange expired at 11:59 P.M. Eastern Time on December 10, 2024. Pursuant to the terms and conditions of the Option Exchange, the Company accepted for exchange eligible options to purchase an aggregate of 725,028 shares of common stock, representing approximately 96.6% of the total shares of common stock underlying such eligible options. All surrendered options were cancelled effective as of the expiration of the Option Exchange. Effective promptly following the expiration of the Option Exchange, the Company granted Replacement Options to purchase an aggregate of 181,107 shares of common stock under the 2023 Equity Incentive Plan.

The Company did not recognize additional stock-based compensation expense as a result of the Option Exchange.

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Stock Options

The following table summarizes stock option activity for the Plans for the six months ended June 30, 2025:

	Number of shares	Weighted average exercise price per share	Weighted average remaining contractual term (years)	Aggregate intrinsic value (in 000's)
Outstanding at December 31, 2024	5,403,090	\$ 1.74	7.18	
Exercised	(163,611)	0.60		
Forfeited/expired	(293,612)	5.23		
Outstanding at June 30, 2025	4,945,867	\$ 1.57	6.90	\$ 1,079
Exercisable at June 30, 2025	2,748,034	\$ 1.46	5.21	\$ 994

As of June 30, 2025, the total unrecognized compensation expense related to unvested stock option awards was \$5.3 million, which the Company expects to recognize over a weighted-average period of 2.5 years. There were no options granted during the three and six months ended June 30, 2025, and 2024.

The fair value of options is estimated using the Black-Scholes option pricing model, which takes into account inputs such as the exercise price, the value of the underlying common stock at the grant date, expected term, expected volatility, risk-free interest rate and dividend yield. The fair value of each grant of options was determined using the methods and assumptions discussed below.

- The expected term of employee options with service-based vesting is determined using the “simplified” method, as prescribed in the U.S. Securities and Exchange Commission’s Staff Accounting Bulletin (“SAB”) No. 107, whereby the expected life equals the arithmetic average of the vesting term and the original contractual term of the option due to the Company’s lack of sufficient historical data. The expected term of non-employee options is equal to the contractual term.
- The expected volatility is based on historical volatilities of similar entities within the Company’s industry which were commensurate with the expected term assumption as described in SAB No. 107.
- The risk-free interest rate is based on the interest rate payable on U.S. Treasury securities in effect at the time of grant for a period that is commensurate with the assumed expected term.
- The expected dividend yield is 0% because the Company has not historically paid and does not expect in the foreseeable future to pay a dividend on its common stock.
- As the Company’s common stock has not historically been publicly traded, its Board of Directors periodically estimated the fair value of the Company’s common stock considering, among other things, contemporaneous valuations of its common stock prepared by an unrelated third-party valuation firm in accordance with the guidance provided by the American Institute of Certified Public Accountants 2013 Practice Aid, Valuation of Privately-Held-Company Equity Securities Issued as Compensation.

Tigo Energy, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

Restricted Stock Units

The following table summarizes RSU activity for the Plans for the six months ended June 30, 2025:

	Number of shares	Weighted average grant date fair value per share
Outstanding at December 31, 2024	2,103,946	\$ 3.50
Granted	738,463	0.98
Vested	(682,438)	1.26
Forfeited/expired	(32,471)	5.83
Outstanding at June 30, 2025	2,127,500	\$ 3.31

As of June 30, 2025, the total unrecognized compensation expense related to unvested RSUs was \$4.5 million, which the Company expects to recognize over a weighted-average period of 1.4 years.

Performance Stock Units

As of June 30, 2025, and December 31, 2024, the Company had an outstanding balance of 1,760,048 PSUs, with a weighted average grant date fair value per share of \$1.58. The PSUs vest over a three-year period beginning on January 1, 2025, with one-third of the award eligible to vest at the end of each fiscal year through December 31, 2027, based on the Company's level of achievement of certain performance-based criteria tied to annual net revenue and adjusted EBITDA targets. The PSUs were valued using the market value of the Company's Common Stock at the closing market price on the grant date.

As of June 30, 2025, the total unrecognized compensation expense related to PSUs that were deemed probable to vest at the end of their respective performance period was \$1.1 million, which the Company expects to recognize over a weighted-average period of 1.6 years.

11. Leases

As a lessee, the Company currently leases office space and vehicles in the United States, Italy, Israel, China, Philippines and Thailand. All of the Company leases are classified as operating leases. The Company has no leases classified as finance or sales-type leases. For leases with terms greater than 12 months, the Company records the related assets and obligations at the present value of lease payments over the term. Many of the Company's leases include rental escalation clauses, renewal options and/or termination options that are factored into the Company's determination of lease payments.

When available, the Company uses the rate implicit in the lease to discount lease payments to present value; however, most of its leases do not provide a readily determinable implicit rate. Therefore, the Company must estimate its incremental borrowing rate to discount the lease payments based on information available at lease commencement. The majority of the Company's leases have remaining lease terms of one to five years, some of which include options to extend the leases for up to eight years, and some of which include options to terminate the leases within one year.

The components of lease expense are as follows:

(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease costs	\$ 195	\$ 314	\$ 512	\$ 648
Variable lease costs	135	148	258	240
Total lease cost	\$ 330	\$ 462	\$ 770	\$ 888

Other information related to leases was as follows:

Supplemental Cash Flows Information (in thousands)	Six Months Ended June 30,	
	2025	2024
Operating lease right of use assets obtained in exchange for operating lease liabilities	\$ 1,633	\$ 126
Cash paid for amounts included in the measurement of lease liabilities	\$ 499	\$ 686

Tigo Energy, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

	June 30, 2025	December 31, 2024
Weighted-average remaining lease term (years)	3.5	2.5
Weighted-average discount rate	6.5%	4.9%

Future maturities of lease liabilities were as follows as of June 30, 2025:

(in thousands)	Operating Leases
Remainder of 2025	\$ 396
2026	994
2027	888
2028	645
2029	386
Thereafter	—
Total future minimum lease payments	\$ 3,309
Less: imputed interest	407
Present value of lease liabilities	\$ 2,902

12. Goodwill and Intangible Assets

As of June 30, 2025, the Company had a goodwill balance of \$12.2 million. The goodwill balance is related to the acquisition of Tigo Energy AI Ltd (f/k/a Foresight Energy, Ltd. (“fSight”)).

The Company’s intangible assets by major asset class are as follows:

	June 30, 2025			
(in thousands, except for useful life amounts)	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Net Book Value
Amortizing:				
Patents	6.7	\$ 450	\$ (172)	\$ 278
Customer relationships	10.0	170	(41)	129
Developed technology	10.0	1,820	(440)	1,380
Total intangible assets		\$ 2,440	\$ (653)	\$ 1,787

	December 31, 2024			
(in thousands, except for useful life amounts)	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Net Book Value
Amortizing:				
Patents	6.7	\$ 450	\$ (137)	\$ 313
Customer relationships	10.0	170	(33)	137
Developed technology	10.0	1,820	(348)	1,472
Total intangible assets		\$ 2,440	\$ (518)	\$ 1,922

The Company recognized amortization expense related to intangible assets of \$0.1 million and \$0.1 million for the three and six months ended June 30, 2025, respectively. The Company recognized amortization expense related to intangible assets of \$0.1 million and \$0.1 million for the three and six months ended June 30, 2024, respectively.

Tigo Energy, Inc.
Notes to Condensed Consolidated Financial Statements (Unaudited)

Amortization expense related to intangible assets at June 30, 2025, in each of the next five years and beyond is expected to be incurred as follows:

(in thousands)	Amount
Remainder of 2025	\$ 135
2026	270
2027	262
2028	260
2029	227
Thereafter	633
	<u>\$ 1,787</u>

13. Income Taxes

The income tax provision is calculated for an interim period by distinguishing between elements recognized in the income tax provision through applying an estimated annual effective tax rate to a measure of year-to-date operating results referred to as “ordinary income (or loss),” and discretely recognizing specific events referred to as “discrete items” as they occur. The Company’s effective tax rates for the three months ended June 30, 2025, and 2024 differ from the federal statutory rate of 21% principally as a result of valuation allowances expected to be maintained against the Company’s deferred tax assets. Additionally, the Company recorded a discrete tax expense for the three and six months ended June 30, 2025, of \$0.2 million and \$0.5 million, respectively. For discrete tax expense recorded during the three and six months ended June 30, 2025, \$0.3 million is related to the estimated settlement of a foreign tax examination. During the six months ended June 30, 2025, the Italian tax authority initiated a tax examination of the Company’s Italian operations. As of June 30, 2025, the tax examination was closed and the settlement liability was approximately \$0.3 million. The Company recorded a de minimis amount of income tax expense for the three and six months ended June 30, 2024.

In July 2025, the One Big Beautiful Bill Act (the “OBBA”) was enacted into law, which permanently extends several key provisions of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. The Company is evaluating the provisions of the OBBA and its impact to income taxes and future condensed consolidated financial statements from its enactment date in July 2025.

14. Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the condensed consolidated financial statements were issued. Based upon this review the Company did not identify any subsequent events that would have required adjustment or disclosure in the condensed consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our condensed consolidated financial statements and the related notes that appear elsewhere in this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and notes thereto included in our 2024 Annual Report. In addition to historical data, this discussion contains forward-looking statements about our business, results of operations, cash flows, financial condition and prospects based on current expectations that involve risks, uncertainties and assumptions. Our actual results could differ materially from such forward-looking statements. Factors that could cause or contribute to those differences include, but are not limited to, those identified below and those discussed in the sections titled “Cautionary Note Regarding Forward-Looking Statements” included elsewhere in this Quarterly Report on Form 10-Q, including those set forth in Part II, Item 1A, “Risk Factors” in this Quarterly Report on Form 10-Q and in Part I, Item 1A, “Risk Factors” in the 2024 Annual Report. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

Our mission is to deliver smart systems solutions, combining hardware and software, which enhance safety, increase energy yield, and lower operating costs of residential, commercial, and utility-scale solar systems. We believe we are a worldwide leader in the development and delivery of products and solutions that are flexible and dependable, increase the energy generation of solar energy systems and address the need for change. We primarily offer products and services through distributors and solar installers. We have a worldwide footprint with product installations in over 100 countries and on all seven continents.

Key Factors that May Influence Future Results of Operations

Our financial results of operations may not be comparable from period to period due to several factors. Key factors affecting our results of operations are summarized below.

Trade Tariffs. It is uncertain what impact new or existing tariffs, trade restrictions, or retaliatory actions may have on us, the solar industry, and our customers. U.S. net revenue represented 19.5% of our total net revenue for the six months ended June 30, 2025. Substantially all of our MLPE products, which represented 64.2% of U.S. net revenues during the six months ended June 30, 2025, were manufactured in Thailand and future purchases may be subject to a 19% reciprocal import tariff as of the date of this report. In addition, substantially all of our GO ESS products, which represented 20.2% of U.S. net revenues during the six months ended June 30, 2025, were manufactured in China and future purchases may be subject to reciprocal import tariffs of 30% as of the date of this report. Beginning in the third quarter of 2025, the Company expects to begin manufacturing a mix of its GO ESS products in Vietnam, which is subject to a fixed reciprocal import tariff of 20% as of the date of this report.

While we are actively evaluating alternative sourcing strategies, the global supply chain for key hardware components necessary to manufacture our products remains concentrated in regions affected by these trade measures, and identifying qualified suppliers outside of these regions with sufficient capacity and technical expertise remains challenging.

Any escalation in trade tensions, new or expanded tariffs, or broader geopolitical instability could impact our sourcing flexibility, product pricing, cost structure, and/or customer demand for our product lines. These factors, combined with potential economic softening, could lead to elevated inventory levels and reduced leverage in supplier pricing negotiations. Any of these outcomes could negatively affect our operations, financial performance, and cash flows.

Managing Supply Chain. We rely on contract manufacturers and suppliers to produce our components, with a significant portion of our supply chain originating in Thailand and China. Beginning in the third quarter of 2025, the Company expects to begin manufacturing a mix of its GO ESS products in Vietnam. Our ability to grow depends, in part, on the ability of our contract manufacturers and suppliers to provide high quality services and deliver components and finished products on time and at reasonable costs. While we have diversified our supply chain, some of our suppliers and contract manufacturers are sole-source suppliers. Our concentration of suppliers could lead to supply shortages, long lead times for components and supply changes. In the event we are unable to mitigate the impact of delays and/or price increases in raw materials, electronic components and freight, as a result of new or existing tariffs, trade restrictions, retaliatory actions, or otherwise, it could delay the manufacturing and delivery of our products, which would adversely impact our cash flows and results of operations, including revenue and gross margin. In addition, in a slowing economic environment in the U.S. and worldwide, our inventory levels may continue to increase due to existing purchase commitments and our ability to negotiate volume pricing discounts may be impaired.

One Big Beautiful Bill Act of 2025. In July 2025, the One Big Beautiful Bill Act of 2025 (“OBBA”) was signed into law, introducing significant changes to clean energy tax credit programs that may impact our financial condition, results of operations and future prospects. The law phases out the Investment Tax Credit (“ITC”) under Section 25D of the Internal Revenue Code of 1986, as amended (the “Code”), for residential solar and storage systems purchased through cash or loans, with the credit now set to expire on December 31, 2025.

Additionally, the OBBB imposes new timing requirements for ITCs under Section 48E of the Code, which governs ITCs for solar and storage systems. Solar-only projects that do not commence construction within 12 months of the OBBB's enactment must now be placed in service by December 31, 2027, to retain eligibility. While energy storage systems are exempt from this specific deadline, the ITC under Section 48E of the Code generally begins to phase down in 2034. The ITCs decline to 75% for projects beginning construction in 2034, 50% for projects beginning construction in 2035, and phases out entirely for projects beginning construction in or after 2036.

The legislation also raises the domestic content threshold for bonus ITC eligibility under Section 48E of the Code to match the thresholds under Section 45Y of the Code, increasing the required domestic cost share to 45% for projects beginning construction on or after June 16, 2025 and before January 1, 2026. The percentage increases to 50% for projects beginning construction during calendar year 2026 and 55% for projects beginning construction after December 31, 2026. In parallel, the OBBB introduces new compliance requirements under the Foreign Entity of Concern ("FEOC") provisions applicable to both Section 48E of the Code and the Advanced Manufacturing Production Tax Credit ("AMPTC") under Section 45X of the Code. These provisions establish escalating content sourcing restrictions and other restrictions, generally applicable to taxable years beginning after the date of enactment of the OBBB, for qualifying solar and storage projects and for manufactured components.

On July 7, 2025, the President issued an Executive Order directing the Treasury Department to provide updated guidance within 45 days regarding the "beginning of construction" rules for Section 48E of the Code and to implement the FEOC restrictions.

These legislative and regulatory developments may negatively impact our eligibility for certain tax credits, the competitiveness of our offerings to solar and storage system lease providers, and the overall demand for our products. If we are unable to meet the revised domestic content or FEOC requirements, our ability to qualify for these incentives could be impaired, which may adversely affect our business and results of operations.

Demand for Products. Demand for our products has continued to increase since the beginning of 2024 following an industry-wide downturn that began in the second half of 2023. Since the beginning of 2024, we have seen a general recovery across the major markets we serve, particularly in Europe and, to a lesser extent, the United States. We believe this improvement is driven by a combination of strengthening market conditions and our ability to increase our share in the markets we serve.

Macroeconomic and Market Conditions. The global macroeconomic and market uncertainty has adversely impacted the U.S. and global economies and may continue to do so. As our global footprint expands, we are increasingly exposed to the effects of this evolving environment, including heightened inflationary pressures, interest rate volatility, tariffs, foreign currency fluctuations, potential economic slowdowns or recessions, geopolitical tensions, and regulatory changes stemming from current and future trade policies. A tighter credit market for consumer and business spending could, in turn, adversely affect the spending levels of installers and end users and lead to increased price competition for our products. Reductions in customer spending in response to unfavorable or uncertain macroeconomic and market conditions, globally or in a particular region where we operate, have adversely affected, and could continue to adversely affect, our business, results of operations and financial condition.

Expansion of Sales, Customers, and Product Offerings. Our ability to grow revenue, in part, depends on expanding both our product and service offerings and our customer base. We primarily acquire new customers through collaboration with industry partners and distributors, and while we expect near-term revenue to remain concentrated among existing customers, we plan to expand our presence in the residential markets in the U.S. and EMEA. While the majority of our North American revenue is currently generated from commercial and industrial markets, we are actively working to grow our presence in the U.S. residential market through offerings with residential solar providers. Internationally, we continue to evaluate and invest in new market opportunities, particularly in the EMEA region, where we have begun offering our residential solutions in Italy and Germany.

Additionally, we have made substantial investments in research and development to support new product introductions. Although a significant portion of our revenue is derived from our MLPE products, we are continuing to develop and promote additional offerings such as our GO Energy Storage Systems ("GO ESS") and Predict+ service, which we believe will help contribute to long-term revenue growth and market leadership.

Key Operating and Financial Metrics

We regularly review a number of metrics, including the following key operating and financial metrics, to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions. We believe the operating and financial metrics presented are useful in evaluating our operating performance, as they are similar to measures used by

our public competitors and are regularly used by securities analysts, institutional investors, and other interested parties in analyzing operating performance and prospects.

The following table sets forth these metrics for the periods presented:

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Net revenue	\$	24,055	\$	12,701	\$	42,894	\$	22,503
Gross profit	\$	10,763	\$	3,867	\$	17,936	\$	6,633
Gross margin		44.7%		30.4%		41.8%		29.5%
Loss from operations	\$	(1,504)	\$	(8,403)	\$	(5,481)	\$	(17,491)
Net loss	\$	(4,430)	\$	(11,321)	\$	(11,431)	\$	(22,827)

Gross Profit and Gross Margin

We define gross profit as total net revenue less cost of revenue, and define gross margin, expressed as a percentage, as the ratio of gross profit to revenue. Gross profit and margin can be used to understand our financial performance and efficiency and allow investors to evaluate its pricing strategy and compare it against competitors. We use these metrics to make strategic decisions identifying areas for improvement, set targets for future performance and make informed decisions about how to allocate resources going forward.

Key Components and Comparison of Results of Operations

Net Revenue

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in \$	%	2025	2024	Change in \$	%
Net revenue	\$ 24,055	\$ 12,701	\$ 11,354	89.4%	\$ 42,894	\$ 22,503	\$ 20,391	90.6%

Three months ended June 30, 2025, and 2024

Net revenue increased by \$11.4 million or 89.4% for the three months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by an increase of \$8.7 million or 73.2% in net revenue from our MLPE product line, which is primarily attributable to the continued market recovery that began in the first quarter of 2024 and an increased market acceptance of the product line. Additionally, our GO ESS product line increased by \$1.7 million or 325.7% in net revenue for the three months ended June 30, 2025, compared to the same period in 2024, which is primarily attributable to increased promotional activities.

Six months ended June 30, 2025, and 2024

Net revenue increased by \$20.4 million or 90.6% for the six months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by an increase of \$16.7 million or 84.4% in net revenue from our MLPE product line, which is primarily attributable to the continued market recovery that began in the first quarter of 2024 and an increased market acceptance of the product line. Additionally, our GO ESS product line increased by \$2.4 million or 127.1% in net revenue for the six months ended June 30, 2025, compared to the same period in 2024, which is primarily attributable to increased promotional activities.

Please see the section below for a discussion of the factors influencing the fluctuations in net revenue for each geographic region.

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in \$	%	2025	2024	Change in \$	%
EMEA	\$ 18,259	\$ 6,998	\$ 11,261	160.9%	\$ 29,811	\$ 12,787	\$ 17,024	133.1%
Americas	4,595	2,835	1,760	62.1%	9,314	5,572	3,742	67.2%
APAC	1,201	2,868	(1,667)	(58.1)%	3,769	4,144	(375)	(9.0)%
Total net revenue	\$ 24,055	\$ 12,701	\$ 11,354	89.4%	\$ 42,894	\$ 22,503	\$ 20,391	90.6%

Three months ended June 30, 2025, and 2024

- EMEA - Net revenue for the EMEA region increased by \$11.3 million or 160.9% for the three months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by an increase of \$9.7 million and \$1.4 million in net revenue from our MLPE and GO ESS product lines, respectively. The growth was primarily driven by higher demand of

our MLPE products in Germany, the Czech Republic, the United Kingdom, Italy and Poland, in addition to the sale of \$1.1 million of GO ESS product to a customer in Italy.

- Americas - Net revenue for the Americas region increased by \$1.8 million or 62.1% for the three months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by increases of \$0.7 million, \$0.6 million and \$0.4 million in net revenue from our MLPE product line, royalty revenue, and GO ESS product lines, respectively. This growth was primarily attributable to increased demand in the United States, driven by higher sales of our MLPE product line, increased promotional activities for our GO ESS product line, and increased royalty revenue resulting from a new royalty agreement entered into during the three months ended June 30, 2025.
- APAC - Net revenue for the APAC region decreased by \$1.7 million or 58.1% for the three months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by a decrease of \$1.7 million in net revenue from our MLPE product line. This decrease was primarily driven by lower demand of our MLPE products in China and Thailand.

Six months ended June 30, 2025, and 2024

- EMEA - Net revenue for the EMEA region increased by \$17.0 million or 133.1% for the six months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by an increase of \$14.7 million and \$2.1 million in net revenue from our MLPE and GO ESS product lines, respectively. The growth was primarily driven by higher demand of our MLPE products in the Germany, Czech Republic, United Kingdom, Italy and Poland, in addition to the sale of \$2.1 million of GO ESS product to a customer in Italy.
- Americas - Net revenue for the Americas region increased by \$3.7 million or 67.2% for the six months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by increases of \$2.5 million, \$0.7 million and \$0.3 million in net revenue from our MLPE product line, royalty revenue, and GO ESS product lines, respectively. This growth was primarily attributable to increased demand in the United States, driven by higher sales of our MLPE product line, increased promotional activities for our GO ESS product line, and increased royalty revenue resulting from a new royalty agreement entered into during the three months ended June 30, 2025.
- APAC - Net revenue for the APAC region decreased by \$0.4 million or 9.0% for the six months ended June 30, 2025, as compared to the same period in 2024, which is driven primarily by a decrease of \$0.4 million in net revenue from our MLPE product line. This decrease was primarily driven by lower demand of our MLPE products in Singapore, Philippines and Australia, and was partially offset by an increase in demand of our MLPE products in China and Thailand.

Cost of Revenues and Gross Profit

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
			Change in				Change in	
	2025	2024	\$	%	2025	2024	\$	%
Cost of revenue	\$ 13,292	\$ 8,834	\$ 4,458	50.5%	\$ 24,958	\$ 15,870	\$ 9,088	57.3%
Gross profit	\$ 10,763	\$ 3,867	\$ 6,896	178.3%	\$ 17,936	\$ 6,633	\$ 11,303	170.4%
Gross margin	44.7%	30.4%			41.8%	29.5%		

Three months ended June 30, 2025, and 2024

Cost of revenues increased by \$4.5 million or 50.5% and gross profit increased by \$6.9 million or 178.3% for the three months ended June 30, 2025, as compared to the same period in 2024, which is primarily driven by an 89.4% increase in net revenue for the three months ended June 30, 2025, compared to the same period in 2024. In addition to higher net revenue, the increase was driven by higher product warranty expense, primarily due to an increased number of units sold during the three months ended June 30, 2025, compared to the same period in 2024. The increase was partially offset due to a portion of the higher net revenue during the three months ended June 30, 2025, including sales of GO ESS inventory that was impaired in the fourth quarter of 2024.

Gross margin increased by 14.3 percentage points for the three months ended June 30, 2025, as compared to the same period in 2024. The increase was primarily driven by the sale of previously reserved GO ESS inventory at higher margins as a result of the inventory reserves recorded against the product line in the second half of the prior year.

Six months ended June 30, 2025, and 2024

Cost of revenues increased by \$9.1 million or 57.3% and gross profit increased by \$11.3 million or 170.4% for the six months ended June 30, 2025, as compared to the same period in 2024, which is primarily driven by a 90.6% increase in net revenue for the six months ended June 30, 2025, compared to the same period in 2024. In addition to higher net revenue, the increase was driven by higher

product warranty expense, primarily due to an increased number of units sold during the six months ended June 30, 2025, compared to the same period in 2024, as well as a change in estimated service delivery costs, which increased due to current macroeconomic conditions. The increase was partially offset due to a portion of the higher net revenue including sales of previously impaired GO ESS inventory during the six months ended June 30, 2025.

Gross margin increased by 12.3 percentage points for the six months ended June 30, 2025, as compared to the same period in 2024. The increase was primarily driven by the sale of previously reserved GO ESS inventory at higher margins as a result of the inventory reserves recorded against the product line in the second half of the prior year.

Research and Development

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in \$	%	2025	2024	Change in \$	%
Research and development	\$ 2,267	\$ 2,704	\$ (437)	(16.2)%	\$ 4,431	\$ 5,175	\$ (744)	(14.4)%
Percentage of net revenue	9.4%	21.3%			10.3%	23.0%		

Three months ended June 30, 2025, and 2024

Research and development expense decreased by \$0.4 million or 16.2% for the three months ended June 30, 2025, as compared to the same period in 2024. The decrease is attributed to reduced payroll expense resulting from lower headcount during the three months ended June 30, 2025, compared to the same period in 2024, primarily due to the previously disclosed workforce reductions of 10% in April 2024 that were implemented in response to the industry-wide slowdown in 2023.

Six months ended June 30, 2025, and 2024

Research and development expense decreased by \$0.7 million or 14.4% for the six months ended June 30, 2025, as compared to the same period in 2024. The decrease is attributed to reduced payroll expense resulting from lower headcount during the six months ended June 30, 2025, compared to the same period in 2024, primarily due to the previously disclosed workforce reductions of 10% in April 2024 that were implemented in response to the industry-wide slowdown in 2023.

The amount of research and development expenses may fluctuate from period to period due to differing levels and stages of development activity.

Sales and Marketing

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in \$	%	2025	2024	Change in \$	%
Sales and marketing	\$ 4,412	\$ 4,055	\$ 357	8.8%	\$ 8,328	\$ 8,658	\$ (330)	(3.8)%
Percentage of net revenue	18.3%	31.9%			19.4%	38.5%		

Three months ended June 30, 2025, and 2024

Sales and marketing expense increased by \$0.4 million or 8.8% for the three months ended June 30, 2025, as compared to the same period in 2024. The increase is attributed to increased professional fees and sales commission expense due to higher sales during the three months ended June 30, 2025, compared to the same period in 2024.

Six months ended June 30, 2025, and 2024

Sales and marketing expense decreased by \$0.3 million or 3.8% for the six months ended June 30, 2025, as compared to the same period in 2024. The decrease is attributed to reduced payroll expense resulting from lower headcount during the six months ended June 30, 2025, compared to the same period in 2024, primarily due to the previously disclosed workforce reductions of 10% in April 2024 that were implemented in response to the industry-wide slowdown in 2023. This decrease is partially offset by an increase in professional fees.

General and Administrative

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in		2025	2024	Change in	
			\$	%			\$	%
General and administrative	\$ 5,588	\$ 5,511	\$ 77	1.4%	\$ 10,658	\$ 10,291	\$ 367	3.6%
Percentage of net revenue	23.2%	43.4%			24.8%	45.7%		

Three months ended June 30, 2025, and 2024

General and administrative expense increased by a de minimis amount for the three months ended June 30, 2025, as compared to the same period in 2024.

Six months ended June 30, 2025, and 2024

General and administrative expense increased by \$0.4 million or 3.6% for the six months ended June 30, 2025, as compared to the same period in 2024, primarily due to an increase in payroll-related expense driven by the accrual for the annual executive short-term incentive compensation expected to be paid out in 2025, with no comparable short-term incentive compensation accrual in the prior period. The increase is partially offset by a decrease in insurance expense during the six months ended June 30, 2025, compared to same period in 2024.

Other Expenses, Net

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in		2025	2024	Change in	
			\$	%			\$	%
Change in fair value of contingent shares liability	\$ —	\$ 41	\$ (41)	NM	\$ —	\$ (155)	\$ 155	NM
Interest expense	2,868	2,862	6	0.2%	5,739	5,688	51	0.9%
Other income, net	(100)	(1)	(99)	NM	(243)	(213)	(30)	14.1%
Total other expenses, net	<u>\$ 2,768</u>	<u>\$ 2,902</u>	<u>\$ (134)</u>	(4.6)%	<u>\$ 5,496</u>	<u>\$ 5,320</u>	<u>\$ 176</u>	3.3%

Three months and six months ended June 30, 2025, and 2024

The change in fair value of contingent shares liability for the three and six months ended June 30, 2024, was attributable to the revaluation of the contingent shares at each reporting period based on the Company's share price as of the revaluation date. The final release of the contingent shares occurred on July 25, 2024.

Interest expense increased by a de minimis amount for the three and six months ended June 30, 2025, as compared to the same periods in 2024.

Other income, net decreased by a de minimis amount for the three and six months ended June 30, 2025, as compared to the same periods in 2024.

Income Tax Expense

(in thousands, except percentages)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	2024	Change in		2025	2024	Change in	
			\$	%			\$	%
Income tax expense	\$ 158	\$ 16	\$ 142	NM	\$ 454	\$ 16	\$ 438	NM

Three months ended June 30, 2025, and 2024

Income tax expense increased \$0.1 million for the three months ended June 30, 2025, as compared to the same period in 2024. For more information, see Note 13, "Income Taxes" of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Six months ended June 30, 2025, and 2024

Income tax expense increased \$0.4 million for the six months ended June 30, 2025, as compared to the same period in 2024, primarily related to a settlement of a foreign tax examination. For more information, see Note 13, “Income Taxes” of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Liquidity, Going Concern and Capital Resources

As of June 30, 2025, our principal sources of liquidity were cash and cash equivalents and marketable securities of \$28.0 million and negative working capital, which we define as current assets less current liabilities, of \$7.7 million. Our principal uses of cash are for funding our operations, capital expenditures, other working capital requirements, other investments and the repayment of our Convertible Promissory Note (as defined below) due in January 2026.

In accordance with *ASU No. 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern* (“Subtopic 205-40”), we evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. The Convertible Promissory Note, which has an aggregate principal amount outstanding of \$50.0 million as of June 30, 2025, has a maturity date of January 9, 2026. See Note 7, “Debt,” of the notes to condensed consolidated financial statements for additional information regarding the Convertible Promissory Note. Management determined as a result of this evaluation, our current cash, working capital position, and upcoming maturity date of its Convertible Promissory Note, raises substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued.

The Company is exploring options for the refinancing of, or other transactions to facilitate the payment of, the Convertible Promissory Note. Our ability to raise capital may be constrained by the price of and demand for our common stock. Additional capital may not be available on favorable terms or at all, and could further dilute our current stockholders. Management cannot conclude as of the date of this filing that its plans are probable of being successfully implemented. There can be no assurance that we will be able to raise sufficient additional capital or obtain financing that will provide it with sufficient liquidity to satisfy its Convertible Promissory Note obligation in January 2026.

The condensed consolidated financial statements have been prepared on a basis that assumes we will continue as a going concern which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business. Accordingly, the accompanying condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

At-the-market offering. In November 2024, we entered into the ATM Agreement with the Sales Agent, pursuant to which we may offer and sell shares of our common stock having an aggregate gross sales price of up to \$14.2 million, from time to time, through the Sales Agent in transactions deemed to be “at-the-market” offerings under federal securities laws (the “2024 ATM Program”). The offering of Shares pursuant to the ATM Agreement will terminate upon (a) five business days’ advance notice from us to the Sales Agent or five business days’ advance notice from the Sales Agent to us or (b) otherwise by mutual agreement of the parties pursuant to the terms of the ATM Agreement. Sales under the 2024 ATM Program are subject to a maximum commission of up to 3.0% of the gross proceeds per share sold through the Sales Agent.

During the six months ended June 30, 2025, a total of 987,209 shares of common stock were issued pursuant to the Sales Agreement for aggregate gross proceeds of approximately \$1.1 million, before deducting commissions and offering expenses payable by us. As of June 30, 2025, \$13.1 million remained available under the ATM Agreement. Refer to Note 9, “Common Stock”, in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Convertible Note. As of June 30, 2025, our Convertible Note obligation was \$50.0 million. Upon reaching the maturity date of the Convertible Note, January 9, 2026, we would need to pay cash or issue shares of common stock equal to the aggregate principal amount of the Convertible Note to be converted. As noted above, there is substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued due to the upcoming maturity date of the Convertible Note. Management continues to explore options to address the substantial doubt, however there can be no assurance that we will be able to raise sufficient additional capital or obtain financing that will provide it with sufficient liquidity to satisfy the Convertible Promissory Note obligation. Refer to the section above for more information regarding our going concern analysis and management’s plan to address the substantial doubt. Refer to Note 7, in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Cash Flows

The following table summarizes our cash flows for the periods presented:

(in thousands)	Six Months Ended June 30,	
	2025	2024
Net cash provided by (used in) operating activities	\$ 7,242	\$ (12,872)
Net cash (used in) provided by investing activities	(9,643)	23,350
Net cash provided by financing activities	867	260
Net (decrease) increase in cash and cash equivalents	<u>\$ (1,534)</u>	<u>\$ 10,738</u>

Management closely monitors expenditures and is focused on obtaining new customers and continuing to develop our products and services. Cash from operations and our liquidity could also be affected by various risks and uncertainties, including, but not limited to, economic concerns related to tariffs, interest rates, inflation or the supply chain, including timing of cash collections from customers and other risks which are detailed in the section entitled “Cautionary Note Regarding Forward-Looking Statements” included elsewhere in this Quarterly Report on Form 10-Q, including in Part II, Item 1A, “Risk Factors” of this Quarterly Report on Form 10-Q and in Part I, Item 1A, “Risk Factors” in the 2024 Annual Report.

Cash Flows Provided By (Used in) Operating Activities

Cash flows from operating activities consisted of net loss adjusted for certain non-cash reconciling items, such as non-cash interest expense, stock-based compensation expense, provision to write down inventories to net realizable value, depreciation and amortization, and non-cash lease expense, and changes in our operating assets and liabilities. Cash provided by operating activities increased by \$20.1 million during the six months ended June 30, 2025, as compared to the same period in 2024.

Cash Flows (Used in) Provided by Investing Activities

Net cash used in investing activities was \$9.6 million for the six months ended June 30, 2025, which is primarily attributable to the purchase of marketable securities and was partially offset by the sale and maturities of marketable securities. Net cash provided by investing activities was \$23.4 million for the six months ended June 30, 2024, which is primarily attributable to the sale of marketable securities and was partially offset by the purchase of property and equipment.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities increased by \$0.6 million during the six months ended June 30, 2025, compared to the same period in 2024 which is primarily attributable to the proceeds from the Company’s at-the-market offering and proceeds from the exercise of stock options.

Contractual Obligations

Our contractual obligations primarily consist of our Convertible Promissory Note, obligations under operating leases and inventory component purchases. As of June 30, 2025, there have been no material changes from our disclosure in our 2024 Annual Report. For more information on our future minimum operating leases, see Note 11, “Leases” and for more information on our Convertible Promissory Notes and other related debt, see Note 7, “Debt,” of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Off-Balance Sheet Arrangements

During the periods presented, the Company did not have any off-balance sheet arrangements.

Critical Accounting Estimates

For the period ended June 30, 2025, there have been no material changes to our critical accounting estimates from the information reported in our 2024 Annual Report.

Recent Accounting Pronouncements

For a description of recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on the Company’s condensed consolidated financial statements, see Part I, Note 2, “Summary of Significant Accounting Policies”, in the notes to condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company” as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company is not required to provide the information required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2025, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Based upon the evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls were effective as of June 30, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the control system’s objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, the Company may be subject to various claims, lawsuits, and other legal and administrative proceedings that may arise in the ordinary course of business. Some of these claims, lawsuits, and other proceedings may range in complexity and result in substantial uncertainty; it is possible that they may result in damages, fines, penalties, non-monetary sanctions, or relief. While the Company intends to vigorously defend itself with respect to such disputes, any potential outcomes resulting from such claims would be inherently difficult to quantify.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors disclosed in the section entitled “Risk Factors” in Part I, Item 1A, of the Company’s 2024 Annual Report, and the other reports that we have filed with the SEC. Any of the risks discussed in such reports, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially and adversely affect our results of operations, financial condition or prospects. During the period covered by this Quarterly Report on Form 10-Q, there have been no material changes in our risk factors as previously disclosed except the following:

Our failure to meet the continued listing requirements of Nasdaq could result in a delisting of our securities.

On April 3, 2025, we received a letter from Nasdaq indicating that the listing of the Company's common stock was not in compliance with Nasdaq Listing Rule 5550(a)(2) (the "Minimum Bid Price Requirement"), as the closing bid price of our common stock was less than \$1.00 per share over a consecutive 30- trading-day period. Pursuant to Nasdaq Listing Rule 5810(c)(3)(A), we had a period of 180 calendar days, or until September 30, 2025, to regain compliance with the minimum bid price requirement, with the possibility of extension for an additional 180 calendar days if we meet Nasdaq's continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market with the exception of the minimum bid price requirement.

On June 16, 2025, we received a letter from Nasdaq notifying us that we were back in compliance with the Minimum Bid Price Requirement for continued listing on Nasdaq as the closing bid price of our stock had been at \$1.00 per share or greater for the last 10 consecutive business days prior to the date of such letter, and the matter is now closed. However, there can be no assurance that we will be able to comply with the Minimum Bid Price Requirement in the future.

If we fail to satisfy the continued listing requirements of Nasdaq, such as the Minimum Bid Price Requirement, the corporate governance requirements or the minimum stockholders' equity requirement, Nasdaq may take steps to delist our securities. Such a delisting would likely have a negative effect on the price of the securities and would impair your ability to sell or purchase the securities when you wish to do so. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our securities to become listed again, stabilize the market price or improve the liquidity of our securities, prevent our securities from dropping below the Nasdaq minimum bid price requirement or prevent future non-compliance with Nasdaq's listing requirements. Additionally, if our securities are not listed on, or become delisted from, Nasdaq for any reason, and are quoted on the OTC Bulletin Board, an inter-dealer automated quotation system for equity securities that is not a national securities exchange, the liquidity and price of our securities may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your securities unless a market can be established or sustained.

The reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity applications could reduce demand for solar PV systems and harm our business.

Given our dynamic customer makeup across the world, we and our customers are subject to governmental policies applicable to renewable energy development in numerous jurisdictions.

The market for on-grid applications, where solar power, on a standalone basis or paired with energy storage systems, is used to supplement a customer's electricity purchased from the utility network or sold to a utility under tariff, depends in large part on the availability and size of government-issued subsidies and economic incentives that vary by geographic market. Because our customers' sales of solar power are typically into the on-grid market, the reduction, elimination or expiration of government subsidies and economic incentives for on-grid solar electricity may negatively affect the competitiveness of solar electricity relative to conventional and non-solar renewable sources of electricity and could harm or halt the growth of the solar electricity industry and our business.

National, state and local government bodies in many countries, including the United States, have provided incentives in the form of feed-in tariffs ("FiTs"), NEM tariffs and related policies, rebates, tax credits, tax incentives and other incentives to system owners, distributors, system integrators and manufacturers of solar PV systems and battery energy storage systems to bolster the cost competitiveness of solar electricity in on-grid applications relative to the cost of utility power, and to reduce dependency on other forms of energy. Many of these government incentives expire, phase out over time, have limited funding allocations that require renewal by the applicable jurisdictional authority, or are being changed by governments due to changing market circumstances or changes to national, state or local energy policy.

In July 2025, the OBBB was signed into law, introducing significant changes to clean energy tax credit programs that may impact our financial condition, results of operations and future prospects. The OBBB phases out the Investment Tax Credit (ITC) under Section 25D of the Code for residential solar and storage systems purchased through cash or loans, with the credit now set to expire on December 31, 2025. Additionally, the OBBB imposes new timing requirements for ITCs under Section 48E of the Code, which governs ITCs for leased solar and storage systems. Solar-only projects that do not commence construction within 12 months of the OBBB's enactment must now be placed in service by December 31, 2027, to retain eligibility. While energy storage systems are exempt from this specific deadline, the ITC under Section 48E of the Code generally for storage begins to phase down in 2034. The ITCs decline to 75% for projects beginning construction in 2034, 50% for projects beginning construction in 2035, and phases out entirely for projects beginning construction in or after 2036. The legislation also raises the domestic content threshold for bonus ITC eligibility under Section 48E of the Code to match the thresholds under Section 45Y of the Code, increasing the required domestic cost share to 45% for projects beginning construction on or after June 16, 2025 and before January 1, 2026. The percentage increases to 50% for projects beginning construction during calendar year 2026 and 55% for projects beginning construction after December 31, 2026. In parallel, the OBBB introduces new compliance requirements under the FEOC provisions applicable to both Section 48E of the Code and the AMPTC under

Section 45X of the Code. These provisions establish escalating content sourcing restrictions and other restrictions, generally applicable to taxable years beginning after the date of enactment of the OBBB beginning in 2026, for qualifying solar and storage projects and for manufactured components. These legislative and regulatory developments may negatively impact our eligibility for certain tax credits, the competitiveness of our offerings to solar and storage system lease providers, and the overall demand for our products in the U.S. If we are unable to meet the revised domestic content or FEOC requirements, our ability to qualify for these incentives could be impaired, which may adversely affect our business and results of operations.

In addition, several European countries, including Germany, Belgium, Italy, the Netherlands and the United Kingdom, have adopted reductions in or ended their NEM or FiT programs. Certain countries have proposed or enacted taxes levied on renewable energy. These and related developments have significantly impacted the solar industry in Europe and may adversely affect the future demand for solar energy solutions in Europe, which could adversely impact our results of operations.

Electric utility companies or generators of electricity from other non-solar renewable sources of electricity may successfully lobby for changes in the relevant legislation in their markets that are harmful to the solar industry. Reductions in, or eliminations or expirations of, governmental incentives in regions where we focus our sales efforts could result in decreased demand for and lower revenue from solar PV systems there, which would adversely affect sales of our products. In addition, our ability to successfully penetrate new geographic markets may depend on new countries adopting and maintaining incentives to promote solar electricity, to the extent such incentives are not currently in place. Furthermore, electric utility companies may establish pricing structures or interconnection requirements that could adversely affect our sales and be harmful to the solar and distributed rooftop solar generation industry.

Among other government-established incentives, net energy metering and related policies have supported the growth of on-grid solar products, and changes to such policies may reduce demand for electricity from our solar service offerings. Net energy metering is a tariffed utility rate program that permits a consumer to sell the excess solar energy that the consumer's solar panels produce to the electric utility company at a predetermined price. The most basic type of NEM tariff pays consumers the retail rate for electricity that their solar panels export to the grid, less certain "non-bypassable" fees paid by the consumer. However, certain states have sought to move away from retail rate-based net energy metering crediting for compensating excess solar generation. For example, in December 2022, the CPUC adopted a "NEM 3.0" policy, also known as the Net Billing Tariff, that unbundles export compensation from retail rates and instead bases it on a tool called the Avoided Cost Calculator ("ACC"), which estimates the utility costs that are avoided by exports from distributed generation for each hour of the year. The CPUC did seek to ease the transition for the solar market by adopting small "adders" to the hourly ACC export values for the first several years of the tariff. Nevertheless, these ACC-based export compensation values are significantly lower than retail rates for most hours of the year and may therefore increase payback periods, and thereby reduce demand for solar-only systems. Similarly, in November 2023, the CPUC adopted changes to its "Virtual NEM" and "NEM Aggregation" programs that prohibit multi-meter commercial or agricultural property owners from netting solar energy generated at or adjacent to those properties against import charges recorded on the meters at the property, except for residential account holders in a multi-family residential property. These types of modifications to net energy metering policies have impacted and could further harm our business, both in California, where we have derived a significant portion of historical revenues in the United States, and in other jurisdictions, if pursued there.

Federal, state, local and foreign tax credits, grants and other incentive programs have in the past had a positive effect on our sales since inception. However, if these programs are reduced, eliminated or expire (including the elimination of the ITC at the end of 2025), it could adversely affect sales of our products in the future. Reductions in incentives and uncertainty around future energy policy, including local content requirements, have in the past and could in the future negatively affect us and may continue to negatively affect our business, financial condition, and results of operations as we seek to increase our business domestically and abroad. Furthermore, electric utility companies may establish rate structures or interconnection requirements that could be harmful to the solar industry and adversely affect our sales. Additionally, our ability to expand to other countries may depend on new countries adopting and maintaining tax credits, tax incentives, NEM policies, or other programs to promote solar electricity and storage, to the extent such incentives or programs are not currently in place. Changes in incentive programs or electricity policies could negatively affect returns on our investments in the countries in which we operate as well as our business, financial condition and results of operations.

Changes in U.S. and foreign tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.

The tax regimes we are subject to or operate under, including income and non-income taxes, are unsettled and may be subject to significant change. Changes in tax laws, regulations, or rulings, or changes in interpretations of existing laws and regulations, could materially affect our financial position and results of operations.

For example, the 2017 Tax Cuts and Jobs Act, or Tax Act, made broad and complex changes to the U.S. tax code, including changes to U.S. federal tax rates, additional limitations on the deductibility of interest, both positive and negative changes to the utilization of future NOL carryforwards, and allowing for the expensing of certain capital expenditures. The 2020 Coronavirus Aid,

Relief, and Economic Security Act, or CARES Act, modified certain provisions of the Tax Act. In addition, on August 16, 2022, the IRA, among other provisions, imposes a 15% minimum tax on the adjusted financial statement income of certain large corporations and a 1% excise tax on corporate stock repurchases by U.S. publicly traded corporations and certain U.S. subsidiaries of non-U.S. publicly traded corporations, as well as significant enhancements of U.S. tax incentives relating to climate and energy investments. The change in U.S. presidential administrations raises the prospect of shifts in public policies and government incentives. Among the recent policy shifts directed by the new presidential administration is a pause in disbursements and review of funding processes for projects supported by the IRA. The exact impact of the Tax Act, the CARES Act and the IRA for future years is difficult to quantify, but these changes could materially affect our effective tax rate in future periods, in addition to any changes made by new tax legislation. In addition, the recently enacted OBBB introduced material changes to clean energy tax credit programs, including the expiration of the ITC under Section 25D of the Code (for residential solar and storage systems purchased through cash or loans) on December 31, 2025, the imposition of new thresholds for bonus ITC eligibility under Section 48E of the Code (which governs ITCs for leased solar and storage systems) and new compliance requirements under the FEOC provisions applicable to both Section 48E of the Code and the AMPTC under Section 45X of the Code (which establish escalating content sourcing restrictions and other restrictions for qualifying solar and storage projects and for manufactured components). These legislative and regulatory developments may negatively impact our eligibility for certain tax credits, the competitiveness of our offerings to solar and storage system lease providers, and the overall demand for our products in the U.S. If we are unable to meet the revised domestic content or FEOC requirements, our ability to qualify for these incentives could be impaired, which may adversely affect our business and results of operations.

The Organization for Economic Co-operation and Development (the “OECD”)/G20 Inclusive Framework on Base Erosion and Profit Shifting has a two-pillar approach to address tax challenges arising from the digitalization of the global economy by (i) allocating profits to market jurisdictions (“Pillar One”) and (ii) ensuring multinational enterprises pay a minimum level of tax regardless of where the headquarters are located or the jurisdictions in which the company operates (“Pillar Two”). Pillar One targets multinational groups with global revenue exceeding €20 billion and a profit-to-revenue ratio of more than 10%. Companies subject to Pillar One will be required to allocate profits and pay taxes to market jurisdictions. Pillar Two focuses on global profit allocation and a global minimum tax rate. In December 2022, the European Union (“EU”) Member States formally adopted the EU’s Pillar Two Directive, which generally provides for a minimum effective tax rate of 15%, as established by the OECD Pillar Two Framework that was supported by over 130 countries worldwide. The EU Pillar Two Directive became effective on January 1, 2024. Other countries are also actively considering changes to their tax laws to adopt certain parts of the OECD’s proposals. Based on the current revenue and profit thresholds, we do not currently expect to be impacted by either Pillar One or Pillar Two, but will continue to monitor and evaluate the potential future impact of both the proposals on our effective tax rate and related impact on our consolidated financial statements and related disclosures. The potential impact of any future rules or regulations to address the tax challenges arising from the digitization of the global economy could have a material adverse effect on our consolidated financial statements.

Significant judgment is required in evaluating our tax positions and our worldwide provision for taxes. During the ordinary course of business, there are many activities and transactions for which the ultimate tax determination is uncertain. As we expand the scale of our business activities, changes to the taxation of our activities could increase our worldwide effective tax rate, increase the amount of taxes imposed on our business, and harm our financial position. We may be audited in various jurisdictions, and such jurisdictions may assess additional taxes against us. Although we believe our tax estimates are reasonable, the final determination of any tax audits or litigation could be materially different from our historical tax provisions and accruals. Any such changes may also apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our financial statements, which could have a material adverse effect on our operating results or cash flows in the relevant period or periods.

Our business could be adversely affected by trade tariffs or other trade barriers.

We may also be negatively affected by the prospect of expanded trade restrictions between the government of the United States and where we or our partners operate. Escalating trade tensions between the United States and China have led to increased tariffs and trade restrictions, including tariffs applicable to some of our products. In addition, the new U.S. presidential administration imposed additional tariffs on goods imported from China, Mexico and Canada, and indicated that it may impose substantial new or increased tariffs on other foreign imports into the U.S. Any trade war or escalation of a trade war between the U.S. and any other jurisdictions in which we conduct business could potentially impact our hardware component prices and impact any plans to sell products in China and other international markets. The escalation of any “trade war” may also contribute to the rise of inflation, which may negatively affect the United States and global markets. Due to uncertainty regarding the timing, content and extent of changes to tariff and trade policies in the United States and abroad, it is unclear how further expanded trade restrictions may impact us or our partners, although they pose the risk of price instability and that exports of our products may become subject to retaliatory tariffs and harm our ability to obtain necessary product components or to sell our products at prices customers are willing to pay. Any of these factors could have a material adverse effect on our business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
3.1	<u>Second Amended and Restated Certificate of Incorporation of Tigo Energy, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 30, 2023).</u>
3.2	<u>Amended and Restated Bylaws of Tigo Energy, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, filed with the SEC on May 30, 2023).</u>
10.1+	<u>Office Lease, dated May 27, 2025, between Tigo Energy Inc. and Boccardo Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on May 30, 2025).</u>
31.1†	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)</u>
31.2†	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)</u>
32.1*	<u>Certification of Chief Executive Officer pursuant to Rule 13a-14(b)/15d-14(b)</u>
32.2*	<u>Certification of Chief Financial Officer pursuant to Rule 13a-14(b)/15d-14(b)</u>
101.INS†	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH†	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104†	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Filed herewith.

* Furnished herewith

+ Annexes, schedules and exhibits to this Exhibit have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Tigo Energy, Inc.

By: /s/ Bill Roeschlein

Bill Roeschlein
Chief Financial Officer

Date: August 5, 2025

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Zvi Alon, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2025 of Tigo Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ Zvi Alon

Zvi Alon

Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND 15D-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bill Roeschlein, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarterly period ended June 30, 2025 of Tigo Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2025

/s/ Bill Roeschlein

Bill Roeschlein
Chief Financial Officer
(Principal Financial and Accounting Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report on Form 10-Q of Tigo Energy, Inc. (the “Company”) for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Zvi Alon, 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, to the best of my knowledge:

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.

Dated: August 5, 2025

/s/ Zvi Alon

Zvi Alon

Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. 1350
(SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002)**

In connection with the Quarterly Report on Form 10-Q of Tigo Energy, Inc. (the “Company”) for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Bill Roeschlein, 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, to the best of my knowledge:

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.

Dated: August 5, 2025

/s/ Bill Roeschlein

Bill Roeschlein
Chief Financial Officer
(Principal Financial and Accounting Officer)
