

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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): **May 16, 2022**

**iPower Inc.**

(Exact name of registrant as specified in its charter)

Commission file number: 001-40391

Nevada  
(State of  
Incorporation)

5200  
(Primary Standard Industrial  
Classification Code Number.)

82-5144171  
(IRS Employer  
Identification No.)

iPower Inc.  
2399 Bateman Avenue  
Duarte, CA 91010  
(Address Of Principal Executive Offices) (Zip Code)

(626) 863-7344  
(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock \$0.001 per share	IPW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

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## Item 2.02 Results of Operations and Financial Condition.

On May 16, 2022, iPower Inc., a Nevada corporation (the “Company”), issued a press release announcing its financial results for the fiscal period ended March 31, 2022 (the “Earnings Release”). The Earnings Release was issued in advance of the Company’s previously disclosed earnings call, which will be held on Monday, May 16, 2022, at 4:30 p.m. Eastern time, where the Company will discuss its financial results for its fiscal third quarter ended March 31, 2022. The conference call can be accessed as follows:

Date: Monday, May 16, 2022  
Time: 4:30 p.m. Eastern time  
Toll-free dial-in number: (888) 705-0179  
International dial-in number: (833) 730-3981  
Conference ID: 6364931  
Webcast: iPower FQ3 Earnings Call

For those unable to participate during the live broadcast, following the earnings call a replay of the webcast will also be available under the Events & Presentations section of the Company’s website at [www.meetipower.com](http://www.meetipower.com).

A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

The information in this Current Report on Form 8-K (including Exhibit 99.1) is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

## Item 9.01 Exhibits.

(d) Exhibits

99.1 [Press Release dated May 16, 2022](#)  
104 Cover Page Interactive Data File (formatted in inline XBRL)

## 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 hereunto duly authorized.

Dated: May 16, 2022

IPOWER, INC.

By: /s/ Chenlong Tan

Name: **Chenlong Tan**

Title: **Chief Executive Officer**



## **iPower Reports Fiscal Third Quarter 2022 Results**

*- Fiscal Q3 Revenue up 74% to a Record \$22.8 Million -*

*- iPower Management to Host Conference Call Today at 4:30 p.m. Eastern Time -*

**DUARTE, CA, May 16, 2022** -- iPower Inc. (Nasdaq:IPW) (“iPower” or the “Company”), a leading online hydroponic equipment suppliers and retailers, today announced financial results for its fiscal third quarter ended March 31, 2022.

### **Fiscal Q3 2022 Results vs. Year-Ago Quarter**

- Total revenue increased 74% to \$22.8 million.
- Gross profit increased 59% to \$9.2 million.
- As a percentage of revenue, gross margin was 40.3% as compared to 43.9%.
- Net income increased significantly to \$1.2 million or \$0.04 per share as compared to \$(0.01) per share for Q3 2021.

### **Management Commentary**

“During our fiscal third quarter 2022 we experienced another period of significant growth with record revenue and gross profit,” said Lawrence Tan, CEO of iPower. “We continued to emphasize in-house product sales, which made up approximately 82% of revenue for the quarter, while driving additional sales velocity through our largest online channel partner. Our continued strong growth and in-house product mix speaks to our superior product research, design and merchandising expertise.

“We began multiple new strategic initiatives this past quarter, including the launch of our business in Europe as well as the launch of two new joint ventures targeting the eCommerce, logistics and social media markets. In addition, we closed our first ever M&A transaction by acquiring our largest global co-engineering partner, serving to expand our production capacity and deepen our R&D capabilities.”

iPower CFO Kevin Vassily added, “Although we experienced record high freight costs in the supply chain, we managed to maintain gross margin above 40% by leveraging our diversified supplier network. We also expanded operating margins despite adding new warehouse capacity during the quarter that is still ramping up to support higher volumes. We expect to close out the year on a strong note as we deliver on our business and operational objectives in fiscal 2022.”

## **Fiscal Third Quarter 2022 Financial Results**

Total revenue in the fiscal third quarter of 2022 increased 74% to \$22.8 million compared to \$13.1 million for the same period in fiscal 2021. The increase was driven by greater product sales to the Company's largest channel partner as well as strong demand for iPower's ventilation products, commercial fans and shelving products.

Gross profit in the fiscal third quarter of 2022 increased 59% to \$9.2 million compared to \$5.8 million for the same quarter in fiscal 2021. As a percentage of revenue, gross margin was 40.3% compared to 43.9% in the year-ago quarter. The decrease was driven by product mix as well as higher freight costs.

Total operating expenses in the fiscal third quarter were \$7.8 million compared to \$5.0 million for the same period in fiscal 2021. As a percentage of revenue, operating expense improved 360 basis points to 34.3% compared to 37.9% in the year-ago quarter. The increase in operating expenses were primarily driven by additional warehouse, selling and fulfillment costs.

Net income in the fiscal third quarter of 2022 increased to \$1.2 million or \$0.04 per share, compared to net loss of \$(0.2) million or \$(0.01) per share for the same period in fiscal 2021.

Cash and cash equivalents were \$2.6 million at March 31, 2022, compared to \$6.7 million at June 30, 2021. The decrease was attributed to the timing of accounts receivables and is not an indication of any other business or operating trend. Long term debt as of March 31, 2022 was \$13.4 million compared to \$0.5 million as of June 30, 2021. This increase was also a function of timing as the Company utilizes its revolving credit facility to manage working capital.

### **Conference Call**

The Company will conduct a conference call at 4:30 p.m. Eastern time on Monday, May 16, 2022, to discuss the results for its fiscal third quarter ended March 31, 2022.

iPower management will host the conference call, followed by a question-and-answer period. The conference call details are as follows:

Date: Monday, May 16, 2022

Time: 4:30 p.m. Eastern time

Toll-free dial-in number: (888) 705-0179

International dial-in number: (833) 730-3981

Conference ID: 6364931

Webcast: iPower FQ3 Earnings Call

Please call the conference call dial-in 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Elevate IR at (720) 330-2829.

The conference call will also be broadcast live and available for replay in the Events & Presentations section of the Company's website at [www.meetipower.com](http://www.meetipower.com).

**About iPower Inc.**

iPower Inc. is one of the leading online retailers and suppliers of hydroponics equipment and accessories. iPower offers thousands of stock keeping units from its in-house brands as well as hundreds of other brands through its website, [www.zenhydro.com](http://www.zenhydro.com), and its online platform partners. iPower has a diverse customer base that includes both commercial businesses and individuals. For more information, please visit iPower's website at <https://ir.meetipower.com/>.

**Forward-Looking Statements**

All statements other than statements of historical fact in this announcement are forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations and projections about future events and financial trends that iPower believes may affect its financial condition, results of operations, business strategy and financial needs. Investors can identify these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "potential," "continue," "is/are likely to" or other similar expressions. iPower undertakes no obligation to update forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although iPower believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that such expectations will turn out to be correct, and iPower cautions investors that actual results may differ materially from the anticipated results and encourages investors to review other factors that may affect its future results in iPower's registration statement and in its other filings with the SEC.

**Investor Relations Contact:**

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(720) 330-2829  
[IPW@elevate-ir.com](mailto:IPW@elevate-ir.com)

**iPower Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Balance Sheets**  
**As of March 31, 2022 and June 30, 2021**

	March 31, 2022	June 30, 2021
<b>ASSETS</b>		
Current assets		
Cash and cash equivalent	\$ 2,641,584	\$ 6,651,705
Accounts receivable, net	19,083,554	7,896,347
Inventories, net	22,410,936	13,065,741
Other receivables – related party	20,746	–
Prepayments and other current assets	7,813,772	4,693,000
Total current assets	<u>51,970,592</u>	<u>32,306,793</u>
Non-current assets		
Right of use - non current	9,095,158	1,819,421
Property and equipment, net	165,071	55,659
Non-current prepayments	1,033,541	1,357,292
Goodwill	6,094,144	–
Investment in joint venture	37,711	–
Intangible assets, net	5,091,785	–
Other non-current assets	300,346	99,645
Total non-current assets	<u>21,817,756</u>	<u>3,332,017</u>
Total assets	<u>\$ 73,788,348</u>	<u>\$ 35,638,810</u>
<b>LIABILITIES AND EQUITY</b>		
Current liabilities		
Accounts payable	6,342,835	3,940,963
Credit cards payable	745,585	584,311
Customer deposit	204,490	297,407
Other payables and accrued liabilities	4,895,528	2,487,441
Advance from shareholders	97,476	–
Short-term loans payable	–	162,769
Investment payable	1,500,000	–
Lease liability - current	1,790,688	731,944
Long-term loan payable - current portion	29,244	29,244
Long-term promissory note payable - current portion	1,826,564	–
Income taxes payable	864,109	790,823
Total current liabilities	<u>18,296,519</u>	<u>9,024,902</u>
Non-current liabilities		
Long-term loan payable	434,201	458,571
Long-term revolving loan payable, net	11,166,577	–
Long-term promissory note payable, net	1,800,315	–
Deferred tax liabilities	836,330	–
Lease liability - non-current	7,573,610	1,169,552
Total non-current liabilities	<u>21,811,033</u>	<u>1,628,123</u>
Total liabilities	<u>40,107,552</u>	<u>10,653,025</u>
Commitments and contingency	–	–
Stockholders' Equity		
Preferred stock, \$0.001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding at March 31, 2022 and June 30, 2021	–	–
Common stock, \$0.001 par value; 180,000,000 shares authorized; 29,572,382 and 26,448,663 shares issued and outstanding at March 31, 2022 and June 30, 2021	29,573	26,449
Additional paid in capital	29,046,300	23,214,263
Retained earnings	4,612,219	1,745,073
Non-controlling interest	(4,070)	–
Accumulated other comprehensive income (loss)	(3,226)	–
Total equity	<u>33,680,796</u>	<u>24,985,785</u>
Total liabilities and equity	<u>\$ 73,788,348</u>	<u>\$ 35,638,810</u>





**iPower Inc. and Subsidiaries**  
**Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income**  
**For the Three and Nine Months Ended March 31, 2022 and 2021**

	For the Three Months Ended March 31,		For the Nine Months Ended March 31,	
	2022 <u>(Unaudited)</u>	2021 <u>(Unaudited)</u>	2022 <u>(Unaudited)</u>	2021 <u>(Unaudited)</u>
REVENUES	\$ 22,808,214	\$ 13,133,902	\$ 57,300,642	\$ 39,348,154
TOTAL REVENUES	22,808,214	13,133,902	57,300,642	39,348,154
COST OF REVENUES	<u>13,598,563</u>	<u>7,369,127</u>	<u>33,219,677</u>	<u>23,073,000</u>
GROSS PROFIT	<u>9,209,651</u>	<u>5,764,775</u>	<u>24,080,965</u>	<u>16,275,154</u>
OPERATING EXPENSES:				
Selling and fulfillment	5,030,267	3,071,897	12,338,027	9,070,320
General and administrative	2,802,395	1,904,144	7,940,349	4,486,621
Total operating expenses	<u>7,832,662</u>	<u>4,976,041</u>	<u>20,278,376</u>	<u>13,556,941</u>
INCOME FROM OPERATIONS	<u>1,376,989</u>	<u>788,734</u>	<u>3,802,589</u>	<u>2,718,213</u>
OTHER INCOME (EXPENSE)				
Interest income (expenses)	(152,030)	(60,118)	(227,142)	(109,656)
Other financing expenses	(71,010)	(60,692)	(80,010)	(98,139)
PPP loan forgiveness	-	175,500	-	175,500
Gain (Loss) on equity method investment	(12,289)	-	(12,289)	-
Other non-operating income (expense)	75,882	(812,434)	85,473	(794,582)
Total other (expenses), net	<u>(159,447)</u>	<u>(757,744)</u>	<u>(233,968)</u>	<u>(826,877)</u>
INCOME BEFORE INCOME TAXES	1,217,542	30,990	3,568,621	1,891,336
PROVISION FOR INCOME TAXES	<u>39,855</u>	<u>237,813</u>	<u>705,545</u>	<u>760,687</u>
NET INCOME (LOSS)	<u>1,177,687</u>	<u>(206,823)</u>	<u>2,863,076</u>	<u>1,130,649</u>
Non-controlling interest	<u>(4,070)</u>	<u>-</u>	<u>(4,070)</u>	<u>-</u>
NET INCOME (LOSS) ATTRIBUTABLE TO IPOWERS INC.	\$ 1,181,757	\$ (206,823)	\$ 2,867,146	\$ 1,130,649
OTHER COMPREHENSIVE LOSS				
Foreign currency translation adjustments	<u>(3,226)</u>	<u>-</u>	<u>(3,226)</u>	<u>-</u>
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO IPOWERS INC.	<u>\$ 1,178,531</u>	<u>\$ (206,823)</u>	<u>\$ 2,863,920</u>	<u>\$ 1,130,649</u>
WEIGHTED AVERAGE NUMBER OF COMMON STOCK				
Basic	<u>28,045,130</u>	<u>20,204,496</u>	<u>26,999,342</u>	<u>20,204,496</u>
Diluted	<u>28,045,130</u>	<u>20,204,496</u>	<u>26,999,342</u>	<u>20,204,496</u>
EARNINGS (LOSSES) PER SHARE				
Basic	<u>\$ 0.042</u>	<u>\$ (0.010)</u>	<u>\$ 0.106</u>	<u>\$ 0.056</u>
Diluted	<u>\$ 0.042</u>	<u>\$ (0.010)</u>	<u>\$ 0.106</u>	<u>\$ 0.056</u>