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 September 30, 2024

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	**83-3583873**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
655 Campbell Technology Parkway, Suite 150 **Campbell, California**	**95008**
(Address of principal executive offices)	(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	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying 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 November 1, 2024, the registrant had 60,743,162 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, which will likely require us to raise financing in the future;
- the projected financial information, anticipated growth rate and market opportunities of the Company;
- the Company's ability to maintain the listing of securities on 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;
- the Company's ability to continue working with leading solar manufacturers;
- the Company's ability to respond to fluctuations in foreign currency exchange rates and political unrest and regulatory changes in international markets into which the Company expands or otherwise operate in;
- the Company's ability to enhance future operating and financial results;
- the Company's ability to 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:
  - the Company's ability to comply with laws and regulations applicable to its business;
  - market conditions and global and economic factors beyond the Company's control;
  - the Company's ability to compete in the highly competitive and evolving solar industry;
  - the Company's ability to continue to develop new products and innovations to meet constantly evolving customer demands;
  - the Company's ability to enter into, successfully maintain and manage relationships with partners and distributors; and
  - 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 21, 2024 (the "2023 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)

	September 30, 2024	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 9,461	$ 4,405
Marketable securities, short-term	10,043	26,806
Accounts receivable, net of allowances for credit losses of $2,334 and $4,011 at September 30, 2024, and December 31, 2023, respectively	8,828	6,862
Inventory	46,789	61,401
Prepaid expenses and other current assets	3,594	5,236
Total current assets	78,715	104,710
Property and equipment, net	3,044	3,458
Operating right-of-use assets	1,842	2,503
Marketable securities, long-term	—	1,977
Intangible assets, net	1,989	2,192
Other assets	772	728
Goodwill	12,209	12,209
Total assets	$ 98,571	$ 127,777
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 11,841	$ 15,685
Accrued expenses and other current liabilities	6,143	8,681
Deferred revenue, current portion	556	335
Warranty liability, current portion	513	526
Operating lease liabilities, current portion	849	1,192
Total current liabilities	19,902	26,419
Warranty liability, net of current portion	5,194	5,106
Deferred revenue, net of current portion	674	466
Long-term debt, net of unamortized debt discount and issuance costs	38,275	31,570
Operating lease liabilities, net of current portion	1,057	1,392
Total liabilities	65,102	64,953
Commitments and Contingencies (see Note 10)		
Stockholders' equity		
Common stock, $0.0001 par value: 150,000,000 authorized; 60,743,061 and 58,751,666 shares issued and outstanding at September 30, 2024, and December 31, 2023, respectively	6	6
Additional paid-in capital	145,184	138,657
Accumulated deficit	(111,724)	(75,780)
Accumulated other comprehensive loss	3	(59)
Total stockholders' equity	33,469	62,824
Total liabilities and stockholders' equity	$ 98,571	$ 127,777

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net revenue	$ 14,237	$ 17,104	$ 36,740	$ 135,988
Cost of revenue	12,463	12,946	28,333	87,555
Gross profit	1,774	4,158	8,407	48,433
Operating expenses:				
Research and development	2,433	2,425	7,608	7,063
Sales and marketing	4,378	5,601	13,036	15,536
General and administrative	5,380	7,350	15,671	20,567
Total operating expenses	12,191	15,376	36,315	43,166
(Loss) income from operations	(10,417)	(11,218)	(27,908)	5,267
Other expenses (income):				
Change in fair value of preferred stock warrant and contingent shares liability	3	(2,977)	(152)	143
Change in fair value of derivative liability	—	(50,498)	—	(12,247)
Loss on debt extinguishment	—	—	—	171
Interest expense	2,861	2,875	8,549	5,240
Other income, net	(164)	(636)	(377)	(1,859)
Total other expenses (income), net	2,700	(51,236)	8,020	(8,552)
(Loss) income before income tax expense	(13,117)	40,018	(35,928)	13,819
Income tax expense	—	10,962	16	29
Net (loss) income	$ (13,117)	$ 29,056	$ (35,944)	$ 13,790
Unrealized gain (loss) resulting from change in fair value of marketable securities	$ 26	$ 22	$ 62	$ (159)
Comprehensive (loss) income	$ (13,091)	$ 29,078	$ (35,882)	$ 13,631
Net (loss) income	$ (13,117)	$ 29,056	$ (35,944)	$ 13,790
Cumulative dividends on convertible preferred stock	—	—	—	(3,399)
Net (loss) income attributable to common stockholders	$ (13,117)	$ 29,056	$ (35,944)	$ 10,391
(Loss) earnings per common share				
Basic	$ (0.22)	$ 0.50	$ (0.60)	$ 0.19
Diluted	$ (0.22)	$ (0.27)	$ (0.60)	$ 0.04
Weighted-average shares of common stock outstanding				
Basic	60,608,934	58,408,441	60,130,249	31,070,476
Diluted	60,608,934	68,368,758	60,130,249	40,487,517

See accompanying notes to condensed consolidated financial statements.

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

	Stockholders' equity					
	Common stock					
	Shares	Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
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 (see Note 4)	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	60,358,166	$ 6	$ 141,651	$ (87,286)	$ (47)	$ 54,324
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	60,371,987	$ 6	$ 143,364	$ (98,607)	$ (23)	$ 44,740
Issuance of common stock upon exercise of stock options	20,062	—	12	—	—	12
Stock-based compensation expense	—	—	1,786	—	—	1,786
Issuance of common stock in connection with the acquisition of fSight (see Note 4)	86,017	—	136	—	—	136
Issuance of common stock in connection with employee incentive restricted stock awards	362,458	—	—	—	—	—
Shares withheld for taxes upon restricted stock awards vesting	(97,463)	—	(114)	—	—	(114)
Unrealized gain resulting from change in fair value of marketable securities	—	—	—	—	26	26
Net loss	—	—	—	(13,117)	—	(13,117)
Balance at September 30, 2024	60,743,061	$ 6	$ 145,184	$ (111,724)	$ 3	$ 33,469

See accompanying notes to condensed consolidated financial statements.

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

	Convertible preferred stock		Stockholders' (deficit) equity					
			Common stock					
	Shares [(1)]	Amount	Shares [(1)]	Amount	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' (deficit) equity
Balance at December 31, 2022	199,145,285	$ 87,140	23,442,353	$ 2	$ 6,521	$ (62,215)	$ —	$ (55,692)
Retroactive application (Note 3)	(152,677,720)	—	(17,972,432)	(1)	1	—	—	—
Balance at December 31, 2022, as converted	46,467,565	87,140	5,469,921	1	6,522	(62,215)	—	(55,692)
Issuance of common stock upon exercise of stock options	—	—	140,545	—	92	—	—	92
Stock-based compensation expense	—	—	—	—	366	—	—	366
Issuance of common stock in connection with the acquisition of fSight	—	—	1,306,385	—	10,077	—	—	10,077
Unrealized gain resulting from change in fair value of marketable securities	—	—	—	—	—	—	14	14
Net income	—	—	—	—	—	6,910	—	6,910
Balance at March 31, 2023, as converted	46,467,565	87,140	6,916,851	1	17,057	(55,305)	14	(38,233)
Issuance of common stock upon exercise of stock options	—	—	10,784	—	14	—	—	14
Forfeitures of restricted stock and restricted stock surrendered in lieu of withholding taxes	—	—	(11,832)	—	(91)	—	—	(91)
Stock-based compensation expense	—	—	—	—	497	—	—	497
Unrealized loss resulting from change in fair value of marketable securities	—	—	—	—	—	—	(195)	(195)
Convertible preferred stock dividends	1,258,055	—	—	—	12,581	(12,581)	—	—
Issuance of preferred stock upon exercise of preferred warrants	193,372	—	—	—	2,008	—	—	2,008
Conversion of convertible preferred stock into common stock in connection with the Business Combination (Note 3)	(47,918,992)	(87,140)	47,918,992	5	87,135	—	—	87,140
Issuance of common stock upon exercise of common warrants	—	—	1,491,229	—	—	—	—	—
Purchase price adjustment in connection with the fSight acquisition	—	—	—	—	897			897
Issuance of common stock upon Business Combination	—	—	1,818,519	—	573	—	—	573
Net loss	—	—	—	—	—	(22,176)	—	(22,176)
Balance at June 30, 2023, as converted	—	—	58,144,543	6	120,671	(90,062)	(181)	30,434
Issuance of common stock upon exercise of stock options	—	—	264,277	—	106	—	—	106
Issuance of common stock upon exercise of common stock warrants, net of issuance costs and payments to warrant holders of non-redeemed warrants	—	—	324,546	—	3,653	—	—	3,653
Reclassification of convertible note derivative liability to equity	—	—	—	—	11,279	—	—	11,279
Unrealized gain resulting from change in fair value of marketable securities	—	—	—	—	—	—	25	25
Stock-based compensation expense	—	—	—	—	1,274	—	—	1,274
Net income	—	—	—	—	—	29,056	—	29,056
Balance at September 30, 2023, as converted	—	$ —	58,733,366	$ 6	$ 136,983	$ (61,006)	$ (156)	$ 75,827

(1) The shares of the Company's common and redeemable convertible preferred stock prior to the Business Combination (as defined in Note 1) have been retroactively restated to reflect the exchange ratio of approximately 0.233335 established in the Business Combination as described in Note 3.

See accompanying notes to condensed consolidated financial statements.

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

	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Cash Flows from Operating activities:		
Net (loss) income	$ (35,944)	$ 13,790
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Depreciation and amortization	917	820
Reserve for inventory	3,879	796
Change in fair value of preferred stock warrant and contingent shares liability	(152)	143
Change in fair value of derivative liability	—	(12,247)
Deferred tax benefit	—	(12)
Non-cash interest expense	6,705	3,237
Stock-based compensation	5,994	2,137
Allowance for credit losses	(1,616)	1,968
Loss on debt extinguishment	—	171
Non-cash lease expense	820	710
Accretion of interest on marketable securities	(260)	(333)
Loss on disposal of property and equipment	—	16
Changes in operating assets and liabilities:		
Accounts receivable	(350)	(6,393)
Inventory	10,733	(33,318)
Prepaid expenses and other assets	1,598	1,183
Accounts payable	(3,387)	(4,115)
Accrued expenses and other liabilities	(2,011)	1,975
Deferred revenue	429	(666)
Warranty liability	75	1,456
Operating lease liabilities	(837)	(697)
Net cash used in operating activities	$ (13,407)	$ (29,379)
Investing activities:		
Purchase of marketable securities	(6,756)	(53,483)
Acquisition of fSight	—	(16)
Purchase of intangible assets	—	(450)
Purchase of property and equipment	(757)	(1,855)
Sales and maturities of marketable securities	25,818	14,885
Net cash provided by (used in) investing activities	$ 18,305	$ (40,919)
Financing activities:		
Proceeds from Convertible Promissory Note	—	50,000
Repayment of from Series 2022-1 Notes	—	(20,833)
Payment of financing costs	—	(358)
Proceeds from Business Combination	—	2,238
Proceeds from exercise of stock options	272	212
Payment of tax withholdings on equity instruments	(114)	(91)
Proceeds from common stock warrant redemption, net of issuance costs and payments to warrant holders of non-redeemed warrants	—	3,653
Net cash provided by financing activities	$ 158	$ 34,821
Net increase (decrease) in cash and cash equivalents	5,056	(35,477)
Cash and cash equivalents at beginning of period	4,405	37,717
Cash and cash equivalents at end of period	$ 9,461	$ 2,240

See accompanying notes to condensed consolidated financial statements.

(in thousands)	Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
Supplemental disclosure of cash flow information:				
Cash paid for interest	$	2,500	$	168
Cash paid for taxes	$	547	$	48
Supplemental schedule of non-cash investing and financing activities:				
Operating lease right of use assets obtained in exchange for operating lease liabilities	$	159	$	2,187
Property and equipment in accounts payable	$	39	$	38
Non-cash consideration paid for the acquisition of fSight	$	375	$	10,974
Contingent shares liability from fSight acquisition	$	—	$	2,167
Unrealized gain (loss) resulting from change in fair value of marketable securities	$	62	$	(156)
Net assets acquired from Roth CH Acquisition IV Co.	$	—	$	573
Fair value of derivative note liability at issuance	$	—	$	23,525
Convertible preferred stock dividends (Note 3)	$	—	$	12,581
Reclassification of deferred issuance costs to additional paid in capital	$	—	$	2,221
Conversion of convertible preferred stock into common stock in connection with the Business Combination (Note 3)	$	—	$	87,140
Issuance of preferred stock upon exercise of preferred warrants	$	—	$	2,008
Reclassification of convertible note derivative liability to equity	$	—	$	11,278

See accompanying notes to condensed consolidated financial statements.

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 Systems Trading (Suzhou) 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. The Company is headquartered in Campbell, 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.”

Please refer to Note 3 “Merger with Roth CH Acquisition IV Co.” for additional details regarding the Business Combination.

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.

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 net assets of ROCG are stated at historical cost, with no goodwill or other intangible assets recorded. The consolidated assets, liabilities and results of operations prior to the Reverse Recapitalization are those of Legacy Tigo. The shares and corresponding capital amounts and earnings per share available for common stockholders, prior to the Closing Date, have been retroactively recasted as shares reflecting the exchange ratio established in the Business Combination. Please refer to Note 3 “Merger with Roth CH Acquisition IV Co.” for additional details regarding the Business Combination.

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) income and were not material for the three and nine months ended September 30, 2024, and 2023.

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 September 30, 2024 and its condensed consolidated statements of operations and comprehensive (loss) income, cash flows, and convertible preferred stock and changes stockholders’ equity (deficit) for the three and nine months ended September 30, 2024, and 2023. Operating results for the three and nine months ended September 30, 2024, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2024. The unaudited condensed consolidated financial 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, 2023, 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, 2023, which was filed with the SEC on March 21, 2024.

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, 2023, which are included in the Company's Annual Report on Form 10-K filed with the SEC on March 21, 2024.

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 financial statements in conformity with GAAP requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical information and various other assumptions that are believed to be reasonable under the circumstances. Examples of such estimates include, among other things, the valuation of share-based awards, the recoverability of long-lived assets, the assessment of intangible assets and goodwill for impairment, provisions for warranty and expected credit losses, inventory obsolescence, sales returns, future price concessions, valuation allowances and the estimated useful lives of plant and equipment and acquired intangible assets. Actual results may materially differ from these estimates. On an ongoing basis, the Company reviews its estimates to ensure that these estimates appropriately reflect changes in its business or new information as it becomes available.

Recently Issued Accounting Pronouncements not yet Adopted

In November 2023, the FASB issued *ASU No. 2023-07*, *Improvements to Reportable Segment Disclosures (Topic 280)*. This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker (CODM) and included within each reported measure of a segment's profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment's profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. We are currently evaluating the provisions of this ASU and expect to adopt them for the year ending December 31, 2024.

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. We are currently evaluating the provisions of this ASU and expect to adopt them for the year ending December 31, 2025.

In March 2024, the SEC adopted final rules that would require registrants to provide certain climate-related information in their registration statements and annual reports. The new rules require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The rules also require disclosure of certain climate-related financial metrics in registrant's audited financial statements, and, for certain registrants, disclosure regarding such registrant's greenhouse gas emissions. In April 2024, the SEC voluntarily stayed the rules pending completion of a judicial review that is currently pending in the U.S. Court of Appeals for the Eighth Circuit. The Company is currently evaluating the impact of these rules on the Company's financial statements and related disclosures.

3. Merger with Roth CH Acquisition IV Co.

The Business Combination was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, ROCG was treated as the "acquired" company and Legacy Tigo was considered the "acquirer" for financial reporting purposes. This determination was primarily based on Legacy Tigo stockholders comprising a majority of the voting power of the Company, Legacy Tigo's senior management comprising substantially all of the senior management of the Company, Legacy Tigo's relative size compared to ROCG, and Legacy Tigo's operations prior to the acquisition comprising the only ongoing operations of the Company. Accordingly, for accounting purposes, 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. The net assets of ROCG are stated at historical costs, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are presented as those of Legacy Tigo. All periods prior to the Business Combination have been retrospectively adjusted using the exchange ratio established in the Business Combination of 0.233335 (the "Exchange Ratio") to affect the reverse recapitalization.

As part of the reverse recapitalization, Legacy Tigo acquired $2.2 million of cash, $0.6 million of prepaid expenses and insurance and assumed $3,400 of accrued expenses and $61,000 of income tax payable. The Company incurred $6.1 million in transaction costs relating to the Business Combination, which were charged directly to additional paid-in capital to the extent of cash received. Transaction costs in excess of cash acquired of $3.9 million were charged to general and administrative expenses.

Immediately prior to the closing of the Business Combination:

- all shares of Legacy Tigo's outstanding Series E, Series D, Series C-1, Series C, Series B-4, Series B-3, Series B-2, Series B-1, Series A-4, Series A-3, Series A-2, and Series A-1 convertible preferred stock were converted into an equivalent number of shares of Legacy Tigo common stock on a one-to-one basis and additional shares of Legacy Tigo common stock were issued to settle the accumulated dividend to the Series E and Series D convertible preferred stockholders of $12.6 million;
- all common warrants net of exercise were converted into an equivalent number of shares of Legacy Tigo common stock on a one-to-one basis; and
- all preferred warrants net of exercise were converted into an equivalent number of shares of Legacy Tigo preferred stock on a one-to-one basis, and subsequently converted into an equivalent number of shares of Legacy Tigo common stock on a one-to-one basis.

At the effective time of the Business Combination, each share of Legacy Tigo common stock issued and outstanding immediately prior to the closing (including the shares of Legacy Tigo common stock issued in connection with the foregoing) were canceled and converted into the right to receive a pro rata portion of the merger consideration based on the Exchange Ratio.

In connection with the Business Combination, the Company issued 1,700,498 shares of Common Stock to former stockholders of ROCG and 118,021 shares of Common Stock to Roth Capital Partners, LLC.

Immediately following the Business Combination, there were 58,144,543 shares of Common Stock issued and outstanding, options to purchase an aggregate of 4,358,301 shares of Common Stock and 5,768,750 warrants outstanding to purchase shares of Common Stock.

4. Acquisition of Foresight Energy, Ltd.

On January 25, 2023 ("Acquisition Closing Date"), Legacy Tigo acquired 100% of the equity interests of fSight. The results of fSight's operations have been included in the condensed consolidated financial statements since the Acquisition Closing Date. fSight primarily focuses on developing and marketing a software as a service platform, based on artificial intelligence for the smart management of electrical energy. The acquisition expands the Company's ability to leverage energy consumption and production data for solar energy producers, adding a prediction platform that provides actionable system performance data, from the grid down to the module level. The Company changed the name of fSight to Tigo Energy AI Ltd. in September 2024.

Under the terms of the purchase agreement, total consideration amounted to $13.2 million which consisted of 5,598,751 shares of Legacy Tigo's common stock (which represents 1,306,385 shares of Common Stock on an as-converted basis as a result of the Business Combination) issued at closing with a fair value of approximately $11.0 million, 737,233 shares of Legacy Tigo's common stock (which represents 172,022 shares of Common Stock on an as-converted basis as a result of the Business Combination) with a fair value of approximately $1.4 million to be issued 12 months from closing and 368,617 shares of Legacy Tigo's common stock (which represents 86,011 shares of Common Stock on an as-converted basis as a result of the Business Combination) with a fair value of approximately $0.7 million to be issued 18 months from closing (collectively with the shares to be issued at 12 months "Contingent Shares"). In addition to the consideration in the purchase agreement, there is an additional $0.5 million in consideration related to a loan that the Company issued to fSight prior to the Acquisition Closing Date, for a total consideration transferred of $13.7 million. The loan payable was deemed settled immediately following the Acquisition Closing Date.

Pursuant to the terms of the purchase agreement, the Contingent Shares are subject to adjustment based on certain indemnification obligations, liabilities or settlements that may arise during the contingency period, which ends 18 months following the Acquisition Closing Date. During the year ended December 31, 2023, there was an adjustment recorded against the Contingent Shares related to an unrecorded liability that was not present as of the opening balance sheet date of January 25, 2023, and the number of Contingent Shares was adjusted downward by 5,745 shares to reflect this change. As of December 31, 2023, there was a total of up to 252,288 Contingent Shares that may be issued pursuant to the terms of the purchase agreement.

The Contingent Shares were recorded as a liability at a fair value of approximately $2.1 million on the Acquisition Closing Date based on the fair value of Legacy Tigo's common stock at the Acquisition Closing Date. The contingent shares liability is recorded in accrued expenses and other current liabilities within the condensed consolidated balance sheet.

On January 25, 2024, consistent with the terms of the purchase agreement, the Company issued the 12-month tranche of Contingent Shares, 166,271 shares of its Common Stock, to certain former equity holders of fSight. At January 25, 2024, the liability was revalued to $0.4 million based upon the Company's Common Stock fair value per share at that date. A mark-to-market gain of $0.2 million was recorded upon the remeasurement at January 25, 2024. Additionally, on July 25, 2024, consistent with the terms of the purchase agreement, the Company issued the 18-month tranche of Contingent Shares, 86,017 shares of its Common Stock, to certain former equity holders of fSight. At July 25, 2024, the liability was revalued to $0.1 million, and the Company recognized a mark-to-market expense of $3,000 related to the remeasurement upon issuance of the final tranche of Contingent Shares. As of September 30, 2024, there are no Contingent Shares outstanding.

For the three months ended September 30, 2024, and 2023, the Company recognized a $3,000 mark-to-market expense and $3.0 million mark-to-market gain, respectively. For the nine months ended September 30, 2024, and 2023, the Company recognized a $0.2 million and $0.4 million mark-to-market expense, respectively. Mark-to-market expense and gains are recorded in the change in fair value of preferred stock warrant and contingent share liability financial statement line item within the condensed consolidated statement of operations and comprehensive loss for the three and nine months ended September 30, 2024, and 2023.

The transaction was accounted for as a business combination pursuant to *ASC Topic 805*, *Business Combinations*, using the acquisition method of accounting and in conjunction with the acquisition, Legacy Tigo recognized $47,000 and $0.2 million of acquisition-related costs during the three and nine months ended September 30, 2023. The Company did not incur any expense associated with acquisition-related costs during the three and nine months ended September 30, 2024. The acquisition-related costs, which were expensed as incurred, are recorded in general and administrative expenses on the condensed consolidated statement of operations and comprehensive loss.

The assets acquired and liabilities assumed were recorded at fair value as follows (in thousands):

Consideration transferred:		
Fair value of common stock issued	$	10,974
Fair value of contingent shares		2,167
Deemed settlement of loan payable		527
Total consideration	$	13,668
Assets acquired:		
Cash and cash equivalents	$	55
Accounts receivable		117
Property and equipment		9
Developed technology		1,820
Customer relationships		170
Goodwill		12,209
Total assets acquired	$	14,380
Liabilities assumed:		
Accounts payable	$	418
Accrued expenses		294
Net assets acquired	$	13,668

Supplemental Pro Forma Information (Unaudited)

The following table presents supplemental pro-forma information for the three and nine months ended September 30, 2023, as if the merger with fSight had occurred on January 1, 2022. These amounts have been calculated after applying the Company's accounting policies and are based upon currently available information.

(in thousands)	Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
Net revenue	$	17,104	$	136,056
Net loss	$	29,056	$	13,644

Supplemental Information of Operating Results

The following table presents supplemental pro-forma information on the net revenue and net loss attributable to fSight included within the Company's condensed consolidated statement of operations and comprehensive loss.

(in thousands)	Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
Net revenue	$	156	$	398
Net loss	$	(374)	$	(931)

5. Net (Loss) Earnings Per Share

Basic net (loss) earnings per share of common stock is computed by dividing net (loss) income attributable to common stockholders 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) earnings per share of common stock is computed by dividing the net (loss) earnings attributable to common stockholders 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. Basic and diluted net (loss) earnings per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities.

Under the two-class method, net (loss) income for the three and nine months ended September 30, 2023, is adjusted by the difference between the fair value of consideration transferred and the carrying amount of convertible preferred stock during periods where the Company redeems its convertible preferred stock. The remaining earnings (undistributed earnings) are allocated to common stock and each series of convertible preferred stock to the extent that each preferred security may share in earnings as if all of the earnings for the period had been distributed. The total earnings allocated to common stock are then divided by the number of outstanding shares to which the earnings are allocated to determine the earnings per share. The two-class method is not applicable during periods with a net loss, as the holders of the convertible preferred stock have no obligation to fund losses. In periods in which the Company reports a net loss, diluted net loss per share is 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except share and per share data)	2024	2023	2024	2023
Basic net (loss) earnings per common share calculation:				
Net (loss) income attributable to common stockholders	$ (13,117)	$ 29,056	$ (35,944)	$ 10,391
Undistributed earnings to preferred stock stockholders	—	—	—	(4,574)
Net (loss) income attributable to common stockholders – basic	$ (13,117)	$ 29,056	$ (35,944)	$ 5,817
Weighted-average shares of common stock outstanding – basic	60,608,934	58,408,441	60,130,249	31,070,476
Net (loss) earnings per share of common stock – basic	$ (0.22)	$ 0.50	$ (0.60)	$ 0.19
Diluted net (loss) earnings per common share calculation:				
Net (loss) income attributable to common stockholders	$ (13,117)	$ 29,056	$ (35,944)	$ 10,391
Reverse: interest expense and change in fair value on derivative liability	—	(47,623)	—	(7,196)
Net (loss) income attributable to common stockholders - diluted	(13,117)	(18,567)	(35,944)	3,195
Undistributed earnings to preferred stock stockholders	—	—	—	(1,406)
Net (loss) income attributable to common stockholders – diluted	(13,117)	(18,567)	(35,944)	1,789
Weighted-average shares of common stock outstanding – basic	60,608,934	58,408,441	60,130,249	31,070,476
Outstanding options and restricted stock units	—	3,727,831	—	3,472,940
Legacy Tigo warrants and common stock warrants	—	927,049	—	813,569
Convertible promissory note	—	5,305,437	—	5,130,532
Weighted-average shares of common stock – diluted	60,608,934	68,368,758	60,130,249	40,487,517
Net (loss) earnings per share of common stock – diluted	$ (0.22)	$ (0.27)	$ (0.60)	$ 0.04

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 September 30,	
	2024	2023
Outstanding stock options and restricted stock units	5,329,471	—
Convertible promissory note	5,305,861	—
	10,635,332	—

6. 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:

	Fair value measurement at reporting date		
(in thousands)	**(Level 1)**	**(Level 2)**	**(Level 3)**
September 30, 2024			
Assets:			
Cash equivalents:			
Money market accounts	$ 5,280	$ —	$ —
Marketable securities:			
Corporate bonds	$ —	$ 3,203	$ —
U.S. agency securities	$ —	$ 6,840	$ —
December 31, 2023			
Assets:			
Cash equivalents:			
Money market accounts	$ 1,646	$ —	$ —
Marketable securities:			
Corporate bonds	$ —	$ 19,489	$ —
U.S. agency securities	$ —	$ 9,294	$ —
Liabilities:			
Contingent shares liability from fSight acquisition	$ 527	$ —	$ —

During the three and nine months ended September 30, 2024, 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 September 30, 2024, and December 31, 2023, respectively:

	As of September 30, 2024			
(in thousands)	**Amortized cost**	**Unrealized gain**	**Unrealized loss**	**Fair value**
Available-for-sale marketable securities:				
Current assets				
Corporate bonds	$ 3,206	$ 1	$ (4)	$ 3,203
U.S. agency securities	6,834	6	$ —	6,840
Total	$ 10,040	$ 7	$ (4)	$ 10,043

	As of December 31, 2023			
(in thousands)	Amortized cost	Unrealized gain	Unrealized loss	Fair value
Available-for-sale marketable securities:				
Current assets				
Corporate bonds	$ 17,561	$ 2	$ (52)	$ 17,511
U.S. agency securities	9,300	2	$ (7)	9,295
Total	26,861	4	(59)	26,806
Long-term assets				
Corporate bonds	1,981	3	(7)	1,977
Total	1,981	3	(7)	1,977
Total available-for-sale marketable securities	$ 28,842	$ 7	$ (66)	$ 28,783

As of September 30, 2024, 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 September 30, 2024, the fair value and carrying value of the Company's Convertible Promissory Note (Note 9) was $40.4 million and $38.3 million, respectively. As of December 31, 2023, the fair value and carrying value of the Company's Series 2022-1 Notes was $58.1 million and $31.6 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.

7. 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2024	2023	2024	2023
EMEA	$ 8,639	$ 10,241	$ 21,426	$ 105,595
Americas	2,940	3,576	8,512	21,776
APAC	2,658	3,287	6,802	8,617
Total net revenue	$ 14,237	$ 17,104	$ 36,740	$ 135,988

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2024	2023	2024	2023
Balance at the beginning of the period	$ 979	$ 623	$ 801	$ 1,122
Deferral of revenue	1,732	4,673	6,347	27,842
Recognition of unearned revenue	(1,481)	(4,840)	(5,918)	(28,508)
Balance at the end of the period	$ 1,230	$ 456	$ 1,230	$ 456

As of September 30, 2024, the Company expects to recognize $1.2 million from remaining performance obligations over a weighted average term of 3.9 years.

The Company recognized approximately $0.1 million and $0.6 million in revenue that was included in the beginning contract liabilities balance during the three and nine months ended September 30, 2024, respectively. The Company did not recognize any revenue that was included in the beginning contract liabilities balance during the three months ended September 30, 2023. The Company recognized $0.9 million in revenue that was included in the beginning contract liabilities balance during the nine months ended September 30, 2023.

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 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Warranty liability, beginning of the period	$ 5,777	$ 5,493	$ 5,632	$ 4,351
Provision for warranty issued during period	264	141	952	1,853
Changes in estimate	(233)	319	(607)	(43)
Settlements	(101)	(146)	(270)	(354)
Warranty liability, end of the period	$ 5,707	$ 5,807	$ 5,707	$ 5,807

8. Supplementary Balance Sheet Information

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

Inventory	**September 30, 2024**	**December 31, 2023**
Raw materials	$ 664	$ 668
Finished goods	46,125	60,733
Inventory	$ 46,789	$ 61,401

The inventory reserve was $4.9 million and $1.0 million as of September 30, 2024, and December 31, 2023, respectively. The Company recorded charges to cost of goods sold of $3.4 million and $4.0 million for the three and nine months ended September 30, 2024, respectively, and $1.8 million for the three and nine months ended September 30, 2023, to write down the carrying value of finished goods inventories to their estimated net realizable value.

Property and equipment, net	**Estimated Useful Life**	**September 30, 2024**	**December 31, 2023**
Machinery and equipment	7 years	$ 6,047	$ 5,810
Vehicles	5 years	31	31
Computer software	5 years	212	192
Computer equipment	5 years	602	574
Furniture and fixtures	5 years	216	216
Leasehold improvements	3 - 6 years	465	457
		7,573	7,280
Less: Accumulated depreciation		4,529	3,822
Property and equipment, net		$ 3,044	$ 3,458

For the three months ended September 30, 2024, and 2023 the Company recorded depreciation expense of $0.2 million in the condensed consolidated statements of operations and comprehensive loss. For the nine months ended September 30, 2024, and 2023 the

Company recorded depreciation expense of $0.7 million and $0.6 million, respectively, in the condensed consolidated statements of operations and comprehensive loss.

Accrued expenses and other current liabilities	September 30, 2024	December 31, 2023
Accrued vacation	$ 1,029	$ 856
Accrued compensation	1,399	2,514
Accrued interest	562	1,222
Accrued professional fees	752	409
Accrued warehouse and freight	838	1,001
Accrued other[1]	1,535	1,974
Other current liabilities[2]	28	705
Accrued expenses and other current liabilities	$ 6,143	$ 8,681

(1) Accrued other as of September 30, 2024, and December 31, 2023, primarily consist of accrued expenses related to legal expense, insurance expense and sales discounts.

(2) Other current liabilities as of December 31, 2023, primarily consist of the contingent shares' liability related to the acquisition of fSight in Q1 2023. See Note 4 for additional information.

Allowance for credit losses	September 30, 2024	December 31, 2023
Allowance for credit losses, beginning balance	$ 4,011	$ 76
Net charges to (recovery) or expense	(1,535)	3,960
Write-offs, net of recoveries	(142)	(25)
Allowance for credit losses, ending balance	$ 2,334	$ 4,011

9. Long-Term Debt

Long-term debt consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
Convertible Promissory Note	$ 50,000	$ 50,000
Less: unamortized debt discount and issuance costs	(11,725)	(18,430)
Long-term debt, net of unamortized debt discount and issuance costs	$ 38,275	$ 31,570

During the three months ended September 30, 2024, and 2023, the Company recorded amortization of $2.2 million and $2.2 million, respectively, to interest expense pertaining to debt discount and issuance costs. During the nine months ended September 30, 2024, and 2023, the Company recorded amortization of $6.7 million and $3.2 million, respectively, to interest expense pertaining to debt discount and issuance costs. The amortization associated with the Convertible Promissory Note primarily consists of the debt discount that was recorded as a result of the bifurcation of the conversion option at the time of the Business Combination. See below in this note for further information on the conversion option bifurcation for the Convertible Promissory Note, as defined below.

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 September 30, 2024, there was $0.6 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 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.

As a result of the Business Combination, the conversion options were bifurcated and accounted for as derivatives. Upon recognition, the Company recorded the conversion options at fair value and associated debt discount of $23.5 million. On September 24, 2023, the Company and L1 Energy entered into the Convertible Note Amendment which modified the conversion terms of the Convertible Promissory Notes. As of September 24, 2023, the fair value of the conversion options was remeasured to $11.3 million. The resulting change in fair value was recorded in the Company's condensed consolidated statement of operation and comprehensive (loss) income. Subsequently, the convertible note derivative liability was reclassified to an equity classified derivative and was recorded into additional paid-in capital on the Company's condensed consolidated balance sheet.

Future aggregate principal maturities of long-term debt are as follows as of September 30, 2024 (in thousands):

Remainder of 2024	$	—
2025		—
2026		50,000
2027		—
2028		—
Thereafter		—
	$	50,000

Series 2022-1 Notes

In January 2023, concurrently with the Convertible Promissory Note transaction, the Company repaid the Series 2022-1 Notes issued in January 2022 with a principal amount of $25.0 million at a fixed interest rate of 5.5% per year ("Series 2022-1 Notes") in full with the proceeds from the Convertible Promissory Note and wrote off $0.2 million of unamortized debt issuance costs related to the previously outstanding Series 2022-1 Notes, which are included in loss on debt extinguishment on the condensed consolidated statements of operations and comprehensive loss.

10. 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.

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.

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 September 30, 2024.

11. Common Stock, Preferred Stock and Convertible 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 September 30, 2024, 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 September 30, 2024
Stock options issued and outstanding	6,056,005
Restricted stock units and performance stock units issued and outstanding	3,971,812
Shares available for potential conversion of L1 Convertible Note	5,305,861
Shares available for grant under 2023 Equity Incentive Plan	245,773
	15,579,451

Common Stock Warrants

Legacy Tigo had outstanding warrants to purchase 1,915,372 shares of Legacy Tigo common stock ("Legacy Warrants"), which (prior to the consummation of the Business Combination) represented rights to purchase Legacy Tigo common stock. During the year ended December 31, 2023, 1,915,372 Legacy Warrants were net exercised resulting in the issuance of 1,491,229 shares of Common Stock. As of December 31, 2023, there were no Legacy Warrants outstanding.

In connection with the Business Combination, the Company assumed 5,750,000 warrants originally issued as part of ROCG's units in ROCG's initial public offering (the "Public Warrants") and 18,750 warrants issued to the initial stockholders of ROCG in a private placement in connection with ROCG's initial public offering (the "Private Warrants" and, together with the Public Warrants, the "Warrants"), which, in each case, entitle the holder to purchase one share of Common Stock at an exercise price of $11.50 per share. Except with respect to certain registration rights and transfer restrictions, the Private Warrants are identical to the Public Warrants. The Company has analyzed the Warrants and determined they are freestanding instruments and do not exhibit any of the characteristics in *ASC 480, Distinguishing Liabilities from Equity*, and therefore are not classified as liabilities under *ASC 480, Distinguishing Liabilities from Equity.*

Under the terms of the Warrant Agreement, the Company was entitled to redeem all of its outstanding Warrants for $0.01 per Warrant if the reported closing price of the Company's Common Stock was at least $18.00 per share on each of twenty trading days within a 30-day trading period ending on the third trading day prior to the date on which a notice of redemption is given. This performance threshold was achieved following the market close on August 4, 2023.

On August 9, 2023, the Company announced the redemption of all of its outstanding Public Warrants and Private Warrants to purchase shares of Common Stock that were issued under the Warrant Agreement, dated as of August 5, 2021, by and among the Company and Continental Stock Transfer & Trust Company, as warrant agent, at a redemption price of $0.01 per Warrant for those Warrants that remained outstanding following 5:00 p.m. New York City time on September 8, 2023.

A total of 324,546 Warrants were exercised through September 8, 2023, resulting in proceeds, net of issuance costs, of $3.7 million. All other Warrants were redeemed on September 8, 2023.

The Company paid $0.1 million for the remaining Warrants that were not exercised as of September 8, 2023, which was recorded as a reduction to additional paid-in capital on the Company's condensed consolidated balance sheet. As of December 31, 2023, there were no Warrants outstanding.

Convertible Preferred Stock

In connection with the Business Combination, as discussed in Note 3, the Company issued 47,918,992 shares of Common Stock to holders of convertible preferred stock of Legacy Tigo. No convertible preferred securities were outstanding as of December 31, 2023. Prior to the Business Combination, Legacy Tigo's convertible preferred stock was classified outside of stockholders' deficit because the shares contained deemed liquidation rights that were contingent redemption features not solely within the control of Legacy Tigo. As a result, all of Legacy Tigo's convertible preferred stock was classified as mezzanine equity.

Convertible Preferred Stock Warrants

Warrants to purchase a total of 1,064,446 shares of Series C convertible preferred stock of Legacy Tigo were initially recognized as a liability and recorded at fair value upon issuance and were subject to remeasurement to fair value at each balance sheet date. As part of the Business Combination, Legacy Tigo convertible preferred stock was remeasured immediately before the Merger date, and was subsequently converted into Legacy Tigo common stock pursuant to the conversion rate in effect immediately prior to the consummation of the Business Combination and all related Legacy Tigo convertible preferred stock warrants were converted into warrants exercisable for shares of Common Stock with terms consistent with the Legacy Tigo convertible preferred stock warrants except for the number of shares exercisable and the exercise price, each of which was adjusted using the Exchange Ratio. In connection with the Business Combination, as discussed in Note 3, all outstanding Series C convertible preferred stock warrants were exercised resulting in the net issuance of 828,733 shares of convertible preferred stock which were immediately converted into Common Stock in connection with the recapitalization. As of December 31, 2023, there were no convertible preferred stock warrants outstanding.

12. 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 expire.

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.

Under the 2018 Plan, the Board of Directors may grant incentive stock options or nonqualified 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 is 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 September 30, 2024, 316,634 stock options granted under the 2023 Plan had vested and were exercisable. There have been no 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. As of September 30, 2024, 2,369,213 RSUs that were granted under the 2023 Plan have vested into shares of Common Stock.

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Research and development	$ 267	$ 180	$ 946	$ 292
Sales and marketing	437	455	1,608	901
General and administrative	1,051	580	3,314	831
Cost of sales	31	59	126	113
Total stock-based compensation	$ 1,786	$ 1,274	$ 5,994	$ 2,137

Stock Options

The following table summarizes stock option activity for the Plans for the nine months ended September 30, 2024:

	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, 2023	4,872,527	$ 3.64	6.10	
Granted	2,355,844	$ 1.58		
Exercised	(788,899)	$ 0.34		
Forfeited	(253,054)	$ 5.97		
Expired	(130,413)	$ 3.37		
Outstanding at September 30, 2024	6,056,005	$ 3.17	7.66	$ 2,090
Exercisable at September 30, 2024	2,553,916	$ 2.47	5.23	$ 1,759
Vested and expected to vest at September 30, 2024	6,056,005	$ 3.17	7.66	

As of September 30, 2024, the total unrecognized compensation expense related to unvested stock option awards was $8.8 million, which the Company expects to recognize over a weighted-average period of 2.8 years.

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.

The fair value of each stock option granted during the nine months ended September 30, 2024, was estimated on the date of grant using the weighted average assumptions in the table below:

	September 30, 2024	September 30, 2023
Expected volatility	72.3 %	68.1 %
Risk-free interest rate	3.5 %	4.1 %
Expected term (in years)	6.0	6.0
Expected dividend yield	— %	— %

Restricted Stock Units

The following table summarizes RSU activity for the Plans for the nine months ended September 30, 2024:

	Number of shares	Weighted average grant date fair value per share
Outstanding at December 31, 2023	872,037	$ 11.27
Granted	2,369,213	$ 1.43
Vested	(1,047,671)	$ 4.31
Forfeited	(91,369)	$ 8.84
Outstanding at September 30, 2024	2,102,210	$ 3.75

As of September 30, 2024, the total unrecognized compensation expense related to unvested RSUs was $7.1 million, which the Company expects to recognize over a weighted-average period of 2.0 years.

Performance Stock Units

During the nine months ended September 30, 2024, the Company granted an aggregate of 1,869,602 PSUs to its executives and certain personnel within the Company. 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.

The following table summarizes the PSU activity for the Plans for the nine months ended September 30, 2024:

	Number of shares	Weighted average grant date fair value per share
Outstanding at December 31, 2023	—	$ —
Granted	1,869,602	$ 1.60
Vested	—	$ —
Forfeited	—	$ —
Outstanding at September 30, 2024	1,869,602	$ 1.60

As of September 30, 2024, the Company did not believe it was probable that the performance criteria associated with the PSUs would be achieved. Accordingly, no compensation expense has been recognized for these awards, and there is no unrecognized compensation cost associated with these awards. The Company will reassess the probability of achieving the performance conditions at each reporting date.

13. 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 its 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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2024**	**2023**	**2024**	**2023**
Operating lease costs	$ 332	$ 325	$ 980	$ 802
Variable lease costs	103	99	343	234
Total lease cost	$ 435	$ 424	$ 1,323	$ 1,036

Other information related to leases was as follows:

	Nine Months Ended September 30,	
Supplemental Cash Flows Information (in thousands)	**2024**	**2023**
Operating lease right of use assets obtained in exchange for operating lease liabilities	$ 159	$ 2,187
Cash paid for amounts included in the measurement of lease liabilities	$ 1,022	$ 743

	September 30, 2024	December 31, 2023
Weighted average remaining lease term (years)	2.5	2.9
Weighted average discount rate	4.9 %	8.5 %

Future maturities of lease liabilities were as follows as of September 30, 2024:

(in thousands)	Operating Leases
Remainder of 2024	$ 339
2025	736
2026	465
2027	355
2028	136
Thereafter	9
Total future minimum lease payments	$ 2,040
Less: imputed interest	134
Present value of lease liabilities	$ 1,906

14. Goodwill and Intangible Assets

As of September 30, 2024, the Company had a goodwill balance of $12.2 million. The goodwill balance is related to the acquisition of fSight. Please refer to Note 4. "Acquisition of Foresight Energy, Ltd." for further information.

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

	September 30, 2024			
(in thousands, except for useful life amounts)	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Net Book Value
Amortizing:				
Patents	6.7	$ 450	$ (119)	$ 331
Customer relationships	10.0	170	(28)	142
Developed technology	10.0	1,820	(304)	1,516
Total intangible assets		$ 2,440	$ (451)	$ 1,989

	December 31, 2023			
(in thousands, except for useful life amounts)	Weighted Average Useful Life (Years)	Gross	Accumulated Amortization	Net Book Value
Amortizing:				
Patents	6.7	$ 450	$ (65)	$ 385
Customer relationships	10.0	170	(16)	154
Developed technology	10.0	1,820	(167)	1,653
Total intangible assets		$ 2,440	$ (248)	$ 2,192

The Company recognized amortization expense related to intangible assets of $0.1 million and $0.1 million for the three months ended September 30, 2024, and 2023, respectively. The Company recognized amortization expense related to acquired intangible assets of $0.2 million and $0.2 million for the nine months ended September 30, 2024, and 2023, respectively.

Amortization expense related to intangible assets at September 30, 2024, in each of the next five years and beyond is expected to be incurred as follows:

(in thousands)	Amount
Remainder of 2024	$ 68
2025	270
2026	270
2027	262
2028	260
Thereafter	859
	$ 1,989

15. Income Taxes

The Company's income tax expense, deferred tax assets and liabilities, and reserves for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The Company is subject to income taxes in both the United States and foreign jurisdictions. Significant judgment and estimates are required in determining the consolidated income tax expense.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. In the second quarter of 2023, the Company assessed all available positive and negative evidence placing the most weight on objectively verifiable information. As such, the Company's cumulative profit position was given the most weight and, based on estimated future sources of taxable income, the Company determined that the future benefits were more likely than not to be realized and released the valuation allowance against U.S. federal net deferred tax assets. The Company continued to record a valuation allowance against its state net deferred tax assets which is primarily the state of California deferred tax assets.

As of the third quarter of 2023, management considered new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. In the third quarter of 2023, the Company and its industry overall experienced a significant change in outlook. As a result of the significant number of bankruptcies by installers, higher than expected order cancellations and pushouts, slower than expected installation rates, higher inventory levels in the channel and a general slowdown in the macroeconomic environment in the third quarter of 2023, the Company assessed all available positive and negative evidence and determined that its U.S. federal net deferred tax asset is no longer more likely than not realizable and recorded a valuation allowance against its U.S. federal net deferred tax assets. In making this determination, the Company placed the most weight on objectively verifiable information which was the Company's cumulative loss position. As a result, the Company recorded a tax expense and valuation allowance of $11.1 million on the basis of managements' reassessment of the amount of its deferred tax assets that were more likely than not to be realized. As of September 30, 2024, the Company has maintained this position.

There was no income tax expense and $11.0 million of income tax expense for the three months ended September 30, 2024, and 2023, respectively. Income tax expense was $16,000 and $29,000 for the nine months ended September 30, 2024, and 2023, respectively.

The effective tax rates for the three months ended September 30, 2024, and 2023 were 0.0% and 27.4%, respectively. The effective tax rates for the nine months ended September 30, 2024, and 2023 was 0.0%. The item that had the most significant impact on the difference between the statutory U.S. federal income tax rate of 21.0% and the effective tax rate for the three and nine months ended September 30, 2024, was the valuation allowance which offset the tax benefit of book losses. The item that had the most significant impact on the difference between the statutory U.S. federal income tax rate of 21% and the effective tax rate for the three months ended September 30, 2023, was the discrete tax expense of recording valuation allowance against U.S. net deferred tax assets. The item that had the most significant impact on the difference between the statutory U.S. federal income tax rate of 21% and the effective tax rate of 0.0% for the nine months ended September 30, 2023, was the change in valuation allowance which offset the tax benefit of book losses.

16. 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 2023 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 2023 Annual Report. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future. Unless otherwise indicated or the context otherwise requires, references in this section to “we,” “our,” “us,” “the Company” or other similar terms refer to the business and operations of Tigo Energy, Inc. and its subsidiaries prior to the Business Combination (“Legacy Tigo”) and Tigo Energy Inc. following the consummation of the Business Combination. References to “ROCG” refer to Roth CH Acquisition IV Co. prior to the consummation of the Business Combination.

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.

Demand for Products. The demand for our products in Europe and the United States experienced a notable slowdown beginning in the second quarter in 2023 and has continued into 2024. Although our net revenue has increased on a sequential basis in each quarter of 2024, our quarterly and year-to-date results remain substantially lower than comparable periods of the prior year. In Europe, the slowdown was primarily due to elevated inventory levels with distributors and an overall channel inventory correction as they responded to a slower demand environment. Additionally, there has been uncertainty surrounding the net energy metering policies and solar export penalties in the European markets, such as Germany, Belgium, Italy and the United Kingdom, which also contributed to the overall slowdown in demand in Europe. In the United States, the slowdown was primarily attributable due to higher interest rates than recent prior periods and the transition from the second iteration of net metering (“NEM 2.0”) to the third iteration of net metering (“NEM 3.0”) in California. In response to these factors, we reduced staffing levels across all geographies in December 2023 by approximately 15%, and in April 2024 by approximately 10%. In addition, our inventory levels have continued to remain elevated in 2024 compared to historical norms. As a result, we recognized charges of $3.4 million and $4.0 million to write down inventories to their estimated net realizable value for the three and nine months ended September 30, 2024, respectively. Further write-downs of inventories and additional cost reduction measures in future quarters could occur if market conditions do not improve or deteriorate.

Unfavorable Macroeconomic and Market Conditions. The global macroeconomic and market uncertainty, including higher interest rates and inflation, has caused disruptions in financial markets and may continue to have an adverse effect on the U.S. and world economies. Since the second quarter of 2023, we have experienced a significant number of customer requests to delay purchase order deliveries and a smaller number of purchase order cancellations and returns. Other customers may decide to delay purchasing our products and services or not purchase at all. A tighter credit market for consumer and business spending could, in turn, adversely affect 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.

Managing Supply Chain. We rely on contract manufacturers and suppliers to produce our components. 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. A significant portion of our supply chain originates in Thailand and China. In the event we are unable to mitigate the impact of delays and/or price increases in raw materials, electronic components and freight, 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, our inventory levels may continue to increase due to existing purchase commitments and our ability to negotiate volume pricing discounts may be impaired.

Expansion of Sales with Existing Customers and Adding New Customers. Our future revenue growth is, in part, dependent on our ability to expand product offerings and services in the U.S. residential market. In our North American market, revenue is generally generated from our product offerings and services in the commercial and industrial markets. In order to continue revenue growth, we plan to expand our presence in the residential market through offerings with residential solar providers. We also expect to continue to evaluate and invest in new market opportunities internationally. We believe that our entry into new markets will continue to facilitate revenue growth and customer diversification. We primarily acquire new customers through collaboration with our industry partners and distributors. While we expect that a substantial portion of our future revenues in the near-term will be generated from our existing customers, we expect to invest in our sales and marketing to broaden reach with new residential customers in the U.S. and EMEA.

Expansion of New Products and Services. We have made substantial investments in research and development and sales and marketing to achieve a leading position in our market and revenue growth. While a majority of our revenue is generated from the sale of our MLPE products, we also generate revenue from our offerings of GO Energy Storage Systems (“GO ESS”) and Predict+ service, and the Company intends to continue developing and promoting these product and service lines.

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except percentages)	**2024**	**2023**	**2024**	**2023**
Net revenue	$ 14,237	$ 17,104	$ 36,740	$ 135,988
Gross profit	$ 1,774	$ 4,158	$ 8,407	$ 48,433
Gross margin	12.5%	24.3%	22.9%	35.6%
Operating (loss) income	$ (10,417)	$ (11,218)	$ (27,908)	$ 5,267
Net (loss) income	$ (13,117)	$ 29,056	$ (35,944)	$ 13,790

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change in				Change in	
(in thousands, except percentages)	**2024**	**2023**	**$**	**%**	**2024**	**2023**	**$**	**%**
Net revenue	$ 14,237	$ 17,104	$ (2,867)	(16.8)%	$ 36,740	$ 135,988	$ (99,248)	(73.0)%

Three months and nine months ended September 30, 2024, and 2023

Net revenue decreased by $2.9 million or 16.8% for the three months ended September 30, 2024, and by $99.2 million or 73.0% for the nine months ended September 30, 2024, as compared to the same periods in 2023. The decreases are primarily due to the solar industry experiencing a broad-based slowdown in both the U.S. and European markets, which resulted in elevated inventory with distributors and installers, and as a result the overall demand for our products and services decreased as distributors and installers responded to this slower demand environment. Please see the section below for further explanations over the fluctuations for each of the Company's geographic regions.

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change in				Change in	
(in thousands, except percentages)	2024	2023	$	%	2024	2023	$	%
EMEA	$ 8,639	$ 10,241	$ (1,602)	(15.6)%	$ 21,426	$ 105,595	$ (84,169)	(79.7)%
Americas	2,940	3,576	(636)	(17.8)%	8,512	21,776	(13,264)	(60.9)%
APAC	2,658	3,287	(629)	(19.1)%	6,802	8,617	(1,815)	(21.1)%
Total net revenue	$ 14,237	$ 17,104	$ (2,867)	(16.8)%	$ 36,740	$ 135,988	$ (99,248)	(73.0)%

Three months and nine months ended September 30, 2024, and 2023

- EMEA - Net revenue for the EMEA region decreased by $1.6 million or 15.6% for the three months ended September 30, 2024, and by $84.2 million or 79.7% for the nine months ended September 30, 2024, as compared to the same periods in 2023. The decreases are primarily due to a slowdown in demand in the region due to elevated inventory levels at distributors and installers. This slowdown was primarily the result of a decrease in customer purchases in Europe after a surge of sales were realized in 2022 and going into the first half of 2023 due to higher energy prices in Europe related to the onset of the armed conflict in Ukraine in 2022, and overall channel inventory correction.
- Americas - Net revenue for the Americas region decreased by $0.6 million or 17.8% for the three months ended September 30, 2024, and by $13.3 million or 60.9% for the nine months ended September 30, 2024, as compared to the same periods in 2023. The decreases are primarily due to demand for our solutions slowing as a result of higher interest rates impacting customers' investment decisions and the transition from NEM 2.0 to NEM 3.0 in California.
- APAC - Net revenue for the APAC region decreased by $0.6 million or 19.1% for the three months ended September 30, 2024, and decreased by $1.8 million or 21.1% for the nine months ended September 30, 2024, as compared to the same periods in 2023. The decrease in net revenue for the three months ended September 30, 2024, compared to the same period in 2023 is primarily due to an overall decline in sales in Asia of $1.3 million, which is partially offset by an increase in sales in Australia of $0.7 million. The decrease in net revenue for the nine months ended September 30, 2024, compared to the same period in 2023 was primarily driven by a $1.6 million decline in sales in China.

Cost of Revenues and Gross Profit

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change in				Change in	
(in thousands, except percentages)	2024	2023	$	%	2024	2023	$	%
Cost of revenue	$ 12,463	$ 12,946	$ (483)	(3.7)%	$ 28,333	$ 87,555	$ (59,222)	(67.6)%
Gross profit	$ 1,774	$ 4,158	$ (2,384)	(57.3)%	$ 8,407	$ 48,433	$ (40,026)	(82.6)%
Gross margin	12.5%	24.3%			22.9%	35.6%		

Three months and nine months ended September 30, 2024, and 2023

Cost of revenue decreased by $0.5 million or 3.7% and gross profit decreased by $2.4 million or 57.3% for the three months ended September 30, 2024, compared to the same period in 2023. Cost of revenues decreased by $59.2 million or 67.6% and gross profit decreased by $40.0 million or 82.6% for the nine months ended September 30, 2024, as compared to the same period in 2023. The decreases are primarily due to a 16.8% and 73.0% decline in net revenues for the three and nine months ended September 30, 2024, respectively, compared to the same periods in 2023. The decrease is offset by increases in inventory reserves of $3.4 million and $4.0 million during the three and nine months ended September 30, 2024, respectively, compared to the same period in 2023 due to slow-moving inventory as a result of the macroeconomic factors noted above.

Gross margin decreased by 11.8 percentage points for the three months ended September 30, 2024, and by 12.7 percentage points for the nine months ended September 30, 2024, as compared to the same periods in 2023. The decreases are primarily due to an increase in the Company's inventory reserves due to slow-moving inventory, lower sales volume due to the unfavorable macroeconomic and market conditions noted above and sales promotions and discounts related to the Company's GO ESS product line.

Research and Development

(in thousands, except percentages)	Three Months Ended September 30, 2024	2023	Change in $	%	Nine Months Ended September 30, 2024	2023	Change in $	%
Research and development	$ 2,433	$ 2,425	$ 8	0.3 %	$ 7,608	$ 7,063	$ 545	7.7 %
Percentage of net revenue	17.1 %	14.2 %			20.7 %	5.2 %		

Three months ended September 30, 2024, and 2023

Research and development expense remained constant for the three months ended September 30, 2024, as compared to the same period in 2023.

Nine months ended September 30, 2024, and 2023

Research and development expense increased by $0.5 million or 7.7% for the nine months ended September 30, 2024, as compared to the same period in 2023. The increase was primarily driven by an increase in consulting and facility expenses.

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 September 30, 2024	2023	Change in $	%	Nine Months Ended September 30, 2024	2023	Change in $	%
Sales and marketing	$ 4,378	$ 5,601	$ (1,223)	(21.8)%	$ 13,036	$ 15,536	$ (2,500)	(16.1)%
Percentage of net revenue	30.8 %	32.7 %			35.5 %	11.4 %		

Three months ended September 30, 2024, and 2023

Sales and marketing expense decreased by $1.2 million or 21.8% for the three months ended September 30, 2024, as compared to the same period in 2023. The decrease is attributed to reduced payroll and travel expenses resulting from a lower headcount during the three months ended September 30, 2024, compared to the same period in 2023.

Nine months ended September 30, 2024, and 2023

Sales and marketing expense decreased by $2.5 million or 16.1% for the nine months ended September 30, 2024, as compared to the same period in 2023. The decrease is attributed to reduced payroll and travel expenses resulting from a lower headcount during the nine months ended September 30, 2024, compared to the same period in 2023.

General and Administrative

(in thousands, except percentages)	Three Months Ended September 30, 2024	2023	Change in $	%	Nine Months Ended September 30, 2024	2023	Change in $	%
General and administrative	$ 5,380	$ 7,350	$ (1,970)	(26.8)%	$ 15,671	$ 20,567	$ (4,896)	(23.8)%
Percentage of net revenue	37.8 %	43.0 %			42.7 %	15.1 %		

Three months ended September 30, 2024, and 2023

General and administrative expense decreased by $2.0 million or 26.8% for the three months ended September 30, 2024, as compared to the same period in 2023. The decrease is primarily related to a decline of bad debt expense associated with the Company's accounts receivable for the three months ended September 30, 2024, compared to the same period in 2023.

Nine months ended September 30, 2024, and 2023

General and administrative expense decreased by $4.9 million or 23.8% for the nine months ended September 30, 2024, as compared to the same period in 2023. The decrease is primarily related to a decline of bad debt expense associated with the Company's accounts receivable for the nine months ended September 30, 2024, compared to the same period in 2023, in addition to a decline in legal expense which were higher in 2023 due to the Business Combination that occurred in May 2023, and is partially offset by an increase in personnel-related stock-based compensation expenses.

Other Expenses, Net

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change in				Change in	
(in thousands, except percentages)	**2024**	**2023**	**$**	**%**	**2024**	**2023**	**$**	**%**
Change in fair value of preferred stock warrant and contingent shares liability	$ 3	$ (2,977)	$ 2,980	(100.1)%	$ (152)	$ 143	$ (295)	(206.3)%
Change in fair value of derivative liability	—	(50,498)	50,498	(100.0)%	—	(12,247)	12,247	(100.0)%
Loss on debt extinguishment	—	—	—	—	—	171	(171)	(100.0)%
Interest expense	2,861	2,875	(14)	(0.5)%	8,549	5,240	3,309	63.1 %
Other income, net	(164)	(636)	472	(74.2)%	(377)	(1,859)	1,482	(79.7)%
Total other expenses, net	$ 2,700	$ (51,236)	$ 53,936	(105.3)%	$ 8,020	$ (8,552)	$ 16,572	(193.8)%

Three months ended September 30, 2024, and 2023

Change in fair value of preferred stock warrant and contingent shares liability increased by $3.0 million or 100.1% for the three months ended September 30, 2024, as compared to the same period in 2023. The Company revalues the contingent shares at each reporting period based on the Company's share price as of the revaluation date. For the three months ended September 30, 2024, the stock price experienced a less significant change, coupled with a smaller base of shares to revalue, compared to the same period in 2023. The final tranche of the contingent shares was released on July 25, 2024. See Note 4, "Acquisition of Foresight Energy, Ltd.," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

The change in fair value of derivative liability for the three months ended September 30, 2023, is related to the Convertible Promissory Note which contained conversion options that met the requirements for separate accounting and was accounted for as a convertible note derivative liability. The derivative instrument was recorded at fair value upon recognition on the Merger Date and was subject to remeasurement at the end of the reporting period. On September 24, 2023, we entered into the Convertible Note Amendment (as defined above) with L1 Energy (as defined above) to modify the conversion terms of the Convertible Promissory Note and, as a result of such amendment, the conversion options no longer meet the requirements to be bifurcated in accordance with *ASC Topic 815, Derivatives and Hedging*. See Note 9, "Long-Term Debt," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Interest expense remained constant for the three months ended September 30, 2024, as compared to the same period in 2023.

Other income, net decreased $0.5 million or 74.2% for the three months ended September 30, 2024, as compared to the same period in 2023. This is primarily due to a decrease in interest income from the Company's marketable securities, as the underlying asset base generating interest income decreased during the three months ended September 30, 2024, compared to the same period in 2023.

Nine months ended September 30, 2024, and 2023

Change in fair value of preferred stock warrant and contingent shares liability decreased by $0.3 million or 206.3% for the nine months ended September 30, 2024, as compared to the same period in 2023, primarily due to a decrease in mark-to-market expense associated with the contingent shares related to the fSight acquisition. The final tranche of the contingent shares was released on July 25, 2024. See Note 4, "Acquisition of Foresight Energy, Ltd.," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

The change in fair value of derivative liability for the nine months ended September 30, 2023, is related to the Convertible Promissory Note which contained conversion options that met the requirements for separate accounting and was accounted for as a convertible note derivative liability. The derivative instrument was recorded at fair value upon recognition on the Merger Date and was subject to remeasurement at the end of the reporting period. On September 24, 2023, we entered into the Convertible Note Amendment (as defined above) with L1 Energy (as defined above) to modify the conversion terms of the Convertible Promissory Note and, as a result of such amendment, the conversion options no longer meet the requirements to be bifurcated in accordance with *ASC Topic 815, Derivatives and Hedging*. See Note 9, "Long-Term Debt," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

The loss on debt extinguishment for the nine months ended September 30, 2023, is primarily related to the repayment of our Series 2022-1 Notes.

Interest expense increased by $3.3 million or 63.1% for the nine months ended September 30, 2024, as compared to the same period in 2023. This increase is primarily due to the timing of the amortization of the debt discount of $23.5 million that was recorded upon the bifurcation of the conversion options at the time of the Business Combination. Please see Note 9, "Long-Term Debt," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on the conversion options.

Other income, net decreased $1.5 million or 79.7% for the nine months ended September 30, 2024, as compared to the same period in 2023. This is primarily due to a decrease in interest income from the Company's marketable securities, as the underlying asset base generating interest income decreased during the nine months ended September 30, 2024, compared to the same period in 2023.

Income Tax Expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change in				Change in	
(in thousands, except percentages)	2024	2023	$	%	2024	2023	$	%
Income tax expense	$ —	$ 10,962	$ (10,962)	(100.0)%	$ 16	$ 29	$ (13)	(44.8)%

Three months ended September 30, 2024, and 2023

Income tax expense decreased $11.0 million for the three months ended September 30, 2024, compared to the same period in 2023, which was primarily due to recording a valuation allowance against the Company's U.S. federal net deferred tax asset during 2023. Please see Note 15, "Income Taxes," of the notes to condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information on the valuation allowance.

Nine months ended September 30, 2024, and 2023

Income tax expense remained constant for the nine months ended September 30, 2024, as compared to the same period in 2023.

Liquidity and Capital Resources

Our principal sources of liquidity are cash, cash equivalents and marketable securities. As of September 30, 2024, the Company held $19.5 million in cash, cash equivalents and marketable securities which were held primarily for working capital purposes. Our working capital, which we define as current assets less current liabilities, decreased by $19.5 million to $58.8 million as of September 30, 2024, compared to $78.3 million as of December 31, 2023. The decrease in working capital during this period is primarily attributable to lower marketable securities and inventory balances and is partially offset by a decrease in accounts payable and accrued expenses and other current liabilities. Revenues stabilized on a sequential quarter basis over the first three quarters of 2024 but declined on a quarter over quarter and year over year basis.

While we have been actively working on reducing our inventory levels, these efforts will depend on our ability to increase future quarterly revenues, maintain a minimal level of inventory purchases with suppliers, and our ability to recover the book value of inventory. Given the macroeconomic factors noted above, the Company recognized charges of $3.4 million and $4.0 million to write down inventories to their estimated net realizable value for the three and nine months ended September 30, 2024, respectively. Through the first three quarters of 2024, we reduced our inventory levels by $14.6 million from December 31, 2023, primarily due to sales, and expect lower inventory levels and positive working capital cash conversion throughout the remainder of 2024.

We believe that our cash position is sufficient to meet our capital and liquidity requirements for at least the next 12 months from the filing date of this Quarterly Report on Form 10-Q.

However, as of September 30, 2024, the Company had $50.0 million of aggregate principal borrowings outstanding on its Convertible Promissory Note. The principal amount of the Convertible Promissory Note is due at the maturity date of January 9, 2026. As of September 30, 2024, the Company does not have sufficient cash, cash equivalents and marketable securities to repay this obligation.

In the future, our ability to sustain operations, pay outstanding obligations, including repayment of the Convertible Promissory Note when due, and invest in new technologies will likely necessitate that we seek additional equity or debt financing. Our capital needs will be influenced by several factors, including the amount of our revenue and our revenue growth rate, the success of our current products and services and future product development and capital investments, and the timing and extent of spending to support further sales and marketing and research and development efforts. In addition, we have incurred and expect to continue to incur additional costs as a result of operating as a public company. The Company intends to secure additional funding from either public or private financing sources, however as the plans are outside of management's control, the Company cannot ensure they will be effectively implemented. In the event that additional financing is required from outside sources, we cannot be certain that any additional financing will be available to us on acceptable terms, or at all. If we are required but unable to raise additional capital, meet our obligations, or generate cash flows to sustain our operations, meet our outstanding obligations, including repayment of the Convertible Promissory Note when due, or expand our business, our business, operating results, and financial condition could be adversely affected.

Cash Flows

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

(in thousands)	Nine Months Ended September 30, 2024	2023
Net cash used in operating activities	$ (13,407)	$ (29,379)
Net cash provided by (used in) investing activities	18,305	(40,919)
Net cash provided by financing activities	158	34,821
Net increase (decrease) in cash and cash equivalents	$ 5,056	$ (35,477)

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 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 2023 Annual Report.

Cash Flows Used in Operating Activities

Operating cash flows consists primarily of net (loss) income adjusted for certain non-cash items and changes in operating assets and liabilities. Cash used in operating activities decreased by $16.0 million in the nine months ended September 30, 2024, as compared to the same period in 2023. This is primarily due to a decrease in purchases of inventory for the nine months ended September 30, 2024, compared to the same period in 2023 as a result of the negative macroeconomic factors that are noted above.

Cash Flows Provided by (Used in) Investing Activities

Net cash provided by investing activities was $18.3 million for the nine months ended September 30, 2024, which is primarily attributable to the sale and maturities of marketable securities and was partially offset by the purchase of additional marketable securities and property and equipment. Net cash used in investing activities was $40.9 million for the nine months ended September 30, 2023, which is primarily attributable to the purchase of marketable securities and property and equipment and was partially offset by the sale and maturities of marketable securities.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities decreased by $34.7 million in the nine months ended September 30, 2024, compared to the same period in 2023. For the nine months ended September 30, 2024, the Company received proceeds of $0.3 million from the exercise of stock options by employees. For the nine months ended September 30, 2023, the Company received proceeds of $50.0 million from the Convertible Promissory Note, proceeds of $3.7 million from the redemptions of common stock warrants and proceeds of $2.2 million from the Business Combination, which was partially offset by the $20.8 million repayment of the Series 2022-1 Notes.

Contractual Obligations

Our contractual obligations primarily consist of our Convertible Promissory Note, obligations under operating leases and inventory component purchases. As of September 30, 2024, there have been no material changes from our disclosure in our 2023 Annual Report. For more information on our future minimum operating leases, see Note 13, "Leases" and for more information on our Convertible Promissory Notes and other related debt, see Note 9, "Long-Term 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 September 30, 2024, there have been no material changes to our critical accounting estimates from the information reported in our 2023 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 September 30, 2024, 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 September 30, 2024.

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 September 30, 2024, 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 2023 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:

Future elections and political uncertainty may have an adverse impact on business.

As discussed in the Company’s 2023 Annual Report, we are subject to various legal, compliance and regulatory risks in numerous jurisdictions throughout the world. These risks include the availability of economic incentives in certain geographic regions in which the Company operates. Future elections in various countries, including the United States and throughout Europe, may further increase these risks. The elections could result in shifts in domestic, foreign, and economic policy approaches, and uncertainty with respect to, regulation and legislation directly affecting the Company and our business environment, including tax incentives or potential tariffs that could directly affect the solar industry. Actions taken by new administrations may have an adverse impact on our industry and business or may indirectly affect us because of adverse impacts on our customers, suppliers and manufacturers, which could result in a material adverse effect on our business, financial condition, results of operations and future growth.

We have a history of generating net losses, and if we are unable to achieve an adequate level of revenue or grow our revenue or manage our expenses, we may not have sufficient cash to fund our future operations or achieve or maintain profitability in the future.

We have a history of incurring net losses, and we may not achieve or maintain profitability in the future. We experienced net losses of $1.0 million and $7.0 million for the years ended December 31, 2023, and 2022, respectively. As of December 31, 2023, we had an accumulated deficit of $75.8 million. In the second half of 2023, we also experienced higher operating losses than in previous quarters, primarily as a result of higher channel inventories, order cancellations and a slowdown in the macroeconomic environment. As a result, we cannot accurately predict when or whether we will reach or maintain profitability. We expect our costs will increase over time and our losses to continue as we expect to continue to invest significant additional funds in expanding our business, sales, and marketing activities, and research and development as we continue to develop our products and services, and maintain high levels of customer support, each of which we consider critical to our continued success. We also expect to incur additional general and administrative expenses as we continue to support our operations as a public company. Historically, our costs have increased over the years due to these factors, and we expect to continue to incur increasing costs to support our anticipated future growth. If we are unable to generate adequate revenue or grow our revenue and manage our expenses, we may continue to incur significant losses and may not have sufficient cash to fund our future operations or achieve or maintain profitability.

Given the challenging macroeconomic conditions outlined above, the Company has taken measures to preserve liquidity, including the strategic decision to restructure our operations and reduce our workforce by 15% in December 2023. The Company closely monitors these conditions and may need to reduce operational expenditures further.

We may also make decisions that could adversely affect our short-term operating results if we believe those decisions improve the experiences of our customers and if we believe such decisions will improve our operating results over the long term. Our decisions may not be consistent with the expectations of investors and may not produce the short-term or long-term benefits that we expect, in which case our business may be materially and adversely affected.

We will likely require additional capital, which additional financing may result in restrictions on our operations or substantial dilution to our stockholders, to sustain and grow our business, and this capital might not be available on acceptable terms, if at all.

We have funded our operations since inception primarily through financing transactions such as the issuance of bonds, convertible promissory notes and loans, and sales of convertible preferred stock. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations, service our indebtedness, including the Convertible Promissory Note, or invest in the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. In particular, the current disruption in the global financial markets may reduce our ability to access capital and negatively affect our liquidity in the future. The Company intends to secure additional funding from either public or private financing sources, however as the plans are outside of management's control, the Company cannot ensure they will be effectively implemented. If adequate funds are not available on acceptable terms, or at all, we may be unable to fully fund our ongoing operations, service our indebtedness, including the Convertible Promissory Note, or invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends to holders of our common stock. If we undertake discretionary financing by issuing equity securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities or other equity securities in one or more transactions at a price per share that is less than the price per share paid by current stockholders. If we sell common stock, convertible securities, or other equity securities in more than one transaction, stockholders may be further diluted by subsequent sales. Additionally, future equity financings may result in new investors receiving rights superior to our existing stockholders. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition and results of operations, restrict our ability to incur additional indebtedness and impair our ability to satisfy our obligations under the Convertible Note.

Our indebtedness could have material adverse consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- limiting our flexibility to plan for, or react to, changes in our business;
- diluting the interests of our existing security holders as a result of issuing common stock upon conversion of the Convertible Note; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

The Convertible Note includes financially restrictive covenants that, among other things, limit our ability to incur additional debt. Without the consent of the holder of the Convertible Note, we may not create, incur, assume, guarantee, or be or remain liable with respect to any senior indebtedness exceeding the greater of (i) $150,000,000 in the aggregate, (ii) an amount equal to 500% of Adjusted EBITDA for the period of 12 consecutive months ending on the last day of the fiscal month ended most recently prior to the date of incurrence of such senior indebtedness or (iii) the amount of senior indebtedness incurred by the Company pursuant to one or more asset-based credit facilities, working capital facilities, or receivable facilities secured only by liens on our or our subsidiaries' assets and property, plus interest accruing thereon and the termination value of interest rate hedges or currency swaps in respect thereof.

The Convertible Note matures on January 9, 2026. At maturity, unless converted at the election of the holder or redeemed by us with the consent of the holder, we will need to repay the principal amount under the Convertible Note. As of September 30, 2024, the conversion price of the Convertible Promissory Note is higher than the price at which our shares of common stock have traded on Nasdaq since August 2023, therefore we do not currently expect that the holder will elect to convert the Convertible Promissory Note into shares of our common stock. As of September 30, 2024, we have not generated sufficient funds, and we may not otherwise be able to generate sufficient funds or maintain sufficient cash reserves, to pay amounts due under our indebtedness, including the Convertible Note, and our cash needs may increase in the future.

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	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).
3.2	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).
10.1†**	Form of Performance Stock Unit Award Agreement.
10.2†	Separation Agreement and Release by and between Jeffrey Sullivan and Tigo Energy, Inc.
31.1†	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)
31.2†	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)
32.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(b)/15d-14(b)
32.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(b)/15d-14(b)
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
** Certain confidential information contained in this document has been redacted in accordance with Item 601(b)(10)(iv) of Regulation S-K.

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: November 6, 2024

Exhibit 10.1

CERTAIN INFORMATION IN THIS EXHIBIT HAS BEEN REDACTED BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) INFORMATION THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

TIGO ENERGY, INC.
2023 INCENTIVE PLAN

PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

Tigo Energy, Inc., a Delaware corporation (the "***Company***"), pursuant to its 2023 Incentive Plan, as amended from time to time (the "***Plan***"), hereby grants to the holder listed below (the "***Participant***"), an award of performance vesting restricted stock units ("***Performance Stock Units***" or "***PSUs***"). Each vested Performance Stock Unit represents the right to receive, in accordance with the Performance Stock Unit Award Agreement attached hereto as **Exhibit A** (the "***Agreement***"), one share of Common Stock ("***Share***"). This award of Performance Stock Units is subject to all of the terms and conditions set forth herein and in the Agreement and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Performance Stock Unit Award Grant Notice (the "***Grant Notice***") and the Agreement.

Participant:	[___________________________]
Grant Date:	[___________________________]
Target Number of PSUs:	[_____________]
Performance Periods	One-Third (1/3) of the PSUs shall be eligible to vest based upon achievement of the Performance Goals for the period from January 1, 2025 through December 31, 2025 (the "<u>First Performance Period</u>"), subject to the Participant's continued employment through January 1, 2026. One-Third (1/3) of the PSUs shall be eligible to vest based upon achievement of the Performance Goals for the period from January 1, 2026 through December 31, 2026 (the "<u>Second Performance Period</u>"), subject to the Participant's continued employment through January 1, 2027. One-Third (1/3) of the PSUs shall be eligible to vest based upon achievement of the Performance Goals for the period from January 1, 2027 through December 31, 2027 (the "<u>Third Performance Period</u>", and together with the First Performance Period and the Second Performance Periods, the "<u>Performance Periods</u>"), subject to the Participant's continued employment through January 1, 2028.
Performance Goals:	A portion of the PSUs will vest following the Performance Period as to that percentage of the PSUs set forth below, with linear interpolation between 50% and 200% (rounding down to the nearest whole Share), based upon achievement of the applicable Revenue Performance Goal and Adjusted EBITDA Performance Goal. Fifty percent (50%) of the PSUs eligible to vest for each Performance Period shall be subject to the Revenue Performance Goal and fifty percent (50%) of the PSUs eligible to vest for each Performance Period shall be subject to the Adjusted EBITDA Performance Goal. For the avoidance of doubt, (i) if the Minimum Revenue Performance Goal is not met in a Performance Period, then no PSUs subject to the Revenue Performance Goal shall be eligible vest for such Performance Period; (ii) if the Minimum Adjusted EBITDA Performance Goal is not met in a

Performance Period, then no PSUs subject to the Adjusted EBITDA Performance Goal shall be eligible vest for such Performance Period; and (iii) even if performance exceeds the Maximum Revenue Performance Goal or the Maximum Adjusted EBITDA Performance Goal, the maximum number of PSUs that may be earned for each performance period is 200% of the PSUs relating to such Performance Period and such Performance Goal.

First Performance Period:
Revenue Performance Goal:

- Minimum Revenue Performance Goal: $[***] – 50%
- $[***] – 100%
- $[***] – 150%
- Maximum Revenue Performance Goal: $[***] – 200%

Adjusted EBITDA Performance Goal:

- Minimum Adjusted EBITDA Performance Goal: $[***] – 50%
- $[***] – 100%
- $[***] – 150%
- Maximum Adjusted EBITDA Performance Goal: $[***] – 200%

Second Performance Period:
Revenue Performance Goal:

- Minimum Revenue Performance Goal: $[***] – 50%
- $[***] – 100%
- $[***] – 150%
- Maximum Revenue Performance Goal: $[***] – 200%

Adjusted EBITDA Performance Goal:

- Minimum Adjusted EBITDA Performance Goal: $[***] – 50%
- $[***] – 100%
- $[***] – 150%
- Maximum Adjusted EBITDA Performance Goal: $[***] – 200%

Third Performance Period:

Revenue Performance Goal:

- Minimum Revenue Performance Goal: $[***] – 50%
- $[***] – 100%
- $[***] – 150%
- Maximum Revenue Performance Goal: $[***] – 200%

Adjusted EBITDA Performance Goal:

- Minimum Adjusted EBITDA Performance Goal: $[***] – 50%
- $[***] – 100%
- $[***] – 150%
- Maximum Adjusted EBITDA Performance Goal: $[***] – 200%

"Revenue" shall mean the total net revenues recognized in the Company's condensed consolidated financial statements in accordance with United States generally accepted accounting principles ("GAAP") for the applicable period.

"Adjusted EBITDA" shall mean, for any calendar year, the Company's earnings (loss) before interest and other expenses, net, income tax expense (benefit), depreciation and amortization expenses, as determined in accordance with normal business practices, as adjusted to exclude stock-based compensation, merger transaction related expenses adjusted and any other non-recurring items as deemed appropriate by the Committee or the Board. For the First Performance Period, Adjusted EBITDA shall exclude inventory impairment charges from the calculation.

The Committee or the Board shall make all determinations regarding the achievement of the Performance Goals in their discretion and all determinations by the Committee or the Board shall be final and binding.

Termination: If the Participant experiences a termination of employment or service with the Company or its Subsidiaries, all PSUs that have not become vested on or prior to the date of such termination of employment or service will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

By his or her signature and the Company's signature below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Plan, the Agreement and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, the Agreement and this Grant Notice. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Agreement or this Grant Notice. In addition, by signing below, the Participant also agrees that the Company, in its sole discretion, may satisfy any withholding obligations in accordance with Section 2.6 of the Agreement and the Plan. **Unless the**

Participant chooses to satisfy his or her tax withholding obligation by making a cash payment to the Company not less than five (5) business days before any withholding obligation arises, the Participant's acceptance of this Agreement constitutes his or her instruction and authorization to the Company and any brokerage firm determined acceptable to the Company for such purpose to sell on Participant's behalf shares of Common Stock from those Shares issuable to Participant as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy Participant's tax withholding obligation.

TIGO ENERGY, INC.:	**PARTICIPANT:**
By:	By:
Print Name:	Print Name:
Title:	
Address:	Address:

EXHIBIT A
TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the Performance Stock Unit Award Grant Notice (the "***Grant Notice***") to which this Performance Stock Unit Award Agreement (this "***Agreement***") is attached, Tigo Energy, Inc., a Delaware corporation (the "***Company***"), has granted to the Participant the number of performance vesting restricted stock units ("***Performance Stock Units***" or "***PSUs***") set forth in the Grant Notice under the Company's 2023 Incentive Plan, as amended from time to time (the "***Plan***"). Each Performance Stock Unit represents the right to receive one share of Common Stock (a "***Share***") upon vesting.

ARTICLE I.
GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.
GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of PSUs under the Plan in consideration of the Participant's past or continued employment with or service to the Company or any Subsidiaries and for other good and valuable consideration.

2.2 Unsecured Obligation to PSUs. Unless and until the PSUs have vested in the manner set forth in Article 2 hereof, the Participant will have no right to receive Shares under any such PSUs. Prior to actual payment of any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Criteria of PSUs. The PSUs are subject to the vesting criteria set forth in the Notice, including the (i) achievement of the Performance Goals set forth in the Notice, and (ii) the Participant's continuous employment through the date specified for each applicable Performance Period. As soon as practicable following completion of each Performance Period but in any event no later than April 1 of the year following the end of the Performance Period, the Committee or the Board shall determine and certify in writing (a) the level of attainment of the Performance Goals during such Performance Period, (b) and (c) the number of PSUs which have become vested for the Performance Period. The Committee or the Board, in their sole discretion, shall make all determinations regarding the achievement of Performance Goals and the vesting of the PSUs as necessary or appropriate. Determinations made by the Committee or the Board will be final and binding on all parties and will be given the maximum discretion permitted by law.

2.4 Consideration to the Company. In consideration of the grant of the award of PSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

2.5 Forfeiture, Termination and Cancellation upon Termination of Service. Notwithstanding any contrary provision of this Agreement or the Plan, upon the Participant's termination of employment or service with the Company or its Subsidiaries for any or no reason, all Performance Stock Units which have not vested prior to or in connection with such termination of employment or service shall thereupon automatically be forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and the Participant, or the Participant's beneficiary or personal representative, as the case may be, shall have no further rights hereunder with respect to such forfeited PSUs. No portion of the PSUs which has not become vested as of the date on which the Participant incurs a termination of employment or service with the Company or its Subsidiaries shall thereafter become vested, except as may otherwise be provided by the Administrator or as set forth in a written agreement between the Company and the Participant.

2.6 Issuance of Shares upon Vesting.

(a) As soon as administratively practicable following the vesting of any Performance Stock Units pursuant to Section 2.3 hereof, but in no event later than March 15 of the calendar year following the calendar year in which such PSUs become vested (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code), the Company shall deliver to the Participant (or any transferee permitted under Section 3.2 hereof) a number of Shares equal to the number of PSUs subject to this Award that vest on the applicable vesting date (rounded down to the nearest whole share). Notwithstanding the foregoing, in the event Shares cannot be issued pursuant to Section 9(d) of the Plan, the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Administrator determines that Shares can again be issued in accordance with such Section.

(b) As set forth in Section 14(c) of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the Performance Stock Units. Additionally, the Company may, in its sole discretion, satisfy any withholding obligations relating to Participant's PSUs by any of the following means or by a combination of such means: (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs, (ii) instructing a broker on the Participant's behalf to sell shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs sufficient to generate net proceeds sufficient to satisfy the Company's minimum statutory withholding obligations with respect to the income recognized by the Participant upon the vesting of the PSUs (based on minimum statutory withholding rates for all tax purposes, including payroll and social security taxes, that are applicable to such income) and the net proceeds of such sale shall be submitted to the Company, (iii) requiring Participant to make a payment in cash to the Company, or (iv) using any other method approved by the Company, and to the extent required by applicable laws or the Plan, approved by the Administrator. Until determined otherwise by the Company, clause (ii) will be the method by which such withholding obligations are satisfied, unless the Participant choses to satisfy his or her withholding obligation in accordance with clause (iii) at any time not less than five (5) business days before any withholding obligation arises. The Company shall not be obligated to deliver any Shares to the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Participant resulting from the grant or vesting of the Performance Stock Units or the issuance of Shares.

(c) Without prejudice to the provisions of Section 14(c) of the Plan, Participant acknowledges that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social security and other tax-related items related to Participant's participation in the Plan and the PSUs and legally applicable to Participant or deemed by the Company, the Board or the Employer in its discretion to be an appropriate charge to Participant even if legally applicable to the Company, Board or the Employer (to the extent lawful) (collectively, "***Tax-Related Items***") is and remains Participant's responsibility and may exceed the amount (if any) withheld by the Company, the Board or the Employer, and Participant hereby covenants to pay any such Tax-Related Items, as and when requested by the Employer, the Company, the Board, any Affiliate or any tax authority. Participant further acknowledges that (i) neither the Company, the Board nor the Employer make any representation or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs including, without limitation, the grant or vesting of the PSUs or the subsequent sale/disposal of the PSUs; and (ii) the Company, the Board and the Employer do not commit to and are under no obligation to structure the PSUs to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction between the date on which the PSUs are granted and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company, the Board or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

2.7 Conditions to Delivery of Shares. The Shares deliverable hereunder may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue Shares deliverable hereunder prior to fulfillment of the conditions set forth in Section 9(d) of the Plan.

2.8 Rights as Stockholder. The holder of the PSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the PSUs and any Shares underlying the PSUs and deliverable hereunder unless and until such Shares shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12 or 13 of the Plan.

ARTICLE III.
OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 Transferability. The PSUs shall be subject to the restrictions on transferability set forth in Section 14(b) of the Plan.

3.3 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences in connection with the PSUs granted pursuant to this Agreement (and the Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the PSUs and the issuance of Shares with respect thereto and that the Participant is not relying on the Company for any tax advice.

3.4 Binding Agreement. Subject to the limitation on the transferability of the PSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.5 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the PSUs in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges that the PSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 12 of the Plan.

3.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.7 Participant's Representations. If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of such issuance, the Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or appropriate by the Company or its counsel.

3.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.9 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any other Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

3.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; *provided, however,* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of the Participant.

3.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

3.13Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.14Employment.

(a) This Agreement does not confer upon the Participant any right to be retained in the employ or service of the Company or any Affiliate shall not interfere with the ability of the Participant's employer from time to time (the "Employer") to terminate the Participant's service at any time, with or without cause, subject to Applicable Law.

(b) The Plan is established voluntarily by the Company. It is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement. The grant of the PSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards, or benefits in lieu of Awards, even if Awards have been granted repeatedly in the past. All decisions with respect to future grants of Awards, if any, will be at the sole discretion of the Company. The PSUs are extraordinary items that do not constitute compensation of any kind for service of any kind rendered to the Company or Affiliate, and which are outside the scope of your employment contract, if any and are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, end-of-service payments, bonuses, long-service options, pension or retirement benefits or similar payments.

3.15Entire Agreement. The Plan, the Grant Notice and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, provided that the PSUs shall be subject to any accelerated vesting provisions in any written agreement between the Participant and the Company or a Company plan pursuant to which the Participant participates, in each case, in accordance with the terms therein.

3.16Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "***Section 409A***"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.17Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Shares as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

3.18Data Privacy. The Company and/or its Affiliates will hold, collect and otherwise process certain personal data regarding the Participant in connection with the administration of this Award and the Plan. All personal data will be treated in accordance with applicable data protection laws and regulations.

3.19Addendum for Participants in the People's Republic of China. The Participant shall co-operate with the Company and its Subsidiaries and do all things necessary or desirable, as directed by the Company or any Subsidiary (as relevant), to assist with the registration of the Plan and ancillary documents with the State Administration of Foreign Exchange.

3.20Addendum for Participants in the Philippines. THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.

3.21Addendum for Participants in Thailand. In conforming to any Applicable Law, the Participant acknowledges and agrees that the Administrator or any of its representatives may file, make a report, or disclose any and all relevant documents and/or information with respect to the Option, the Plan, the Participant, and/or this Agreement to any governmental regulatory body or person.

3.22Addendum for Participants in Australia.

(a) This offer is made under Division 1A of Part 7.12 of the *Corporation Act 2001* (Cth) as modified by *ASIC Corporations (Employee Share Schemes) Instrument 2022/1021* ("**ESS Division**"). The Participant confirms that they are entitled to receive this offer under Applicable Laws and is an "eligible ESS participant" as defined under the ESS Division.

(b) As set forth in Section 14(c) of the Plan, and to the extent permitted such that the offer of PSUs remains an offer for no monetary consideration, and not an "ESS contribution plan" as defined in the ESS Division, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the Performance Stock Units.

(c) Subdivision 83A-C. This is a scheme to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth of Australia) applies, subject to the conditions in that Act.

* * * * *

Exhibit 10.2

CONFIDENTIAL SEPARATION AGREEMENT AND RELEASE

Jeffrey Sullivan (hereinafter "Employee") was employed by Tigo Energy, Inc. ("Company") until on or about **October 11, 2024** (the "Employment"). Employee's Employment with the Company ended on or about **October 11, 2024** (the "Separation").

The purpose of this Separation Agreement and Release (hereinafter "Agreement") is to set forth the terms and provisions of a severance agreement agreed to between Employee and Company, in connection with the Employee's Employment with and Separation from Employment with Company and to waive and release any claims by the Employee against Company (Employee and Company are collectively hereinafter referred to as the "Parties").

NOW THEREFORE, in consideration of and exchange for the promises, covenants, and releases contained herein, the Parties mutually agree as follows:

1. Non-Admission of Liability. Employee acknowledges that Company denies any wrongdoing whatsoever in connection with Employee's Employment and Separation. It is expressly understood and agreed that nothing contained in this Agreement shall constitute or be treated as an admission of any wrongdoing or liability on the part of Company.

2. Severance Benefits. As consideration for the Employee's execution of this Agreement, Company will provide Employee the following benefits:

a. Lump Sum Payment. Pay Employee within ten (10) business days after the Effective Date of this Agreement the sum of **$70,001.00 (seventy thousand one dollars)** (the "Severance Payment") (minus applicable withholdings) payable to Employee (to be reported on IRS Form W-2, subject to regular and applicable withholdings). The Parties agree that Employee shall be responsible for any tax liabilities that might be asserted with respect to the Severance Payment. Employee agrees to indemnify and hold harmless Company for any tax liability imposed, or any related penalty assessed, relating to this payment. Any employment relationship between Employee and Company has ended, and the issuance of a check as part of this Agreement, does not, for any reason, re-establish Employee's status as an employee.

b. COBRA. If eligible, Employee will be given the opportunity to elect continuation of healthcare benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, or the applicable state equivalent (together, "COBRA"). Provided Employee makes a timely COBRA election, the Company will pay Employee's COBRA premiums for a period of **2 (two) months**, initiating with the first premium due date that occurs after the parties have signed this Agreement. Following the Company's completion of the above premium payments, any applicable COBRA premiums or administrative charges will be the sole responsibility of Employee.

c. Vested Equity. Employee will be entitled to all vested equity pursuant to the previous equity grant(s) between the Company and Employee as of the date of

Separation pursuant to the terms of the separate equity grant plan or program. Vesting of any equity will cease as of the date of Separation. All terms of the applicable equity agreement(s) between the Company and Employee shall apply.

By signing this Agreement, Employee agrees that the Severance Benefits are additional compensation that Employee would not otherwise be entitled to and are not provided for under any Company policy, program, plan, or other arrangement or practice.

3. Release of All Claims by Employee. In consideration for the promises set forth above, Employee, for Employee and Employee's heirs, successors and assigns, does hereby waive, release, acquit, and forever discharge Company and its respective parents, heirs, assigns, subsidiaries, affiliates, and related entities or corporations, and any of their past and present officers, directors, shareholders, employers, employees, agents, partners, attorneys, insurers, heirs, successors, and assigns (hereinafter the "Released Parties"), from any and all claims, actions, charges, complaints, grievances, and causes of action (hereinafter collectively referred to as "Claims"), of whatever nature, whether known or unknown, which exist or may exist on Employee's behalf as of the date of this Agreement, including but not limited to, any claims for back pay, liquidated damages, compensatory damages, or any other losses or other damages to Employee or Employee's property resulting from any claimed violation of local, state, or federal law, including, for example (but not limited to), claims arising under Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1991, 42 U.S.C. § 2000e et seq.; 42 U.S.C. § 1981; the Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., amended by the Americans With Disabilities Act Amendments Act of 2008; the Age Discrimination in Employment Act of 1967; the National Labor Relations Act; the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. § 4301 et seq.; the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.; the Worker Adjustment and Retraining Notification Act, 29 U.S.C. § 2101 et seq. ; the Internal Revenue Code of 1986; the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.; the Fair Labor Standards Act, 29 U.S.C. § 213 et seq. (including the Equal Pay Act of 1963); the Fair Credit Reporting Act, 15 U.S.C. § 1681, the Patient Protection and Affordable Care Act 42 U.S.C. § 18001 et seq.; Sarbanes-Oxley Public Company Accounting Reform and Investor Protection Act of 2002, 15 U.S.C. § 7241 et seq.; the Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. 2000ff; The False Claims Act of 1986, 31 U.S.C. § 3729 et seq.; the California Labor Code, the California Fair Employment and Housing Act, the federal or California Worker Adjustment Retraining Act, the California Industrial Welfare Commission Wage Orders, California Business and Professions Code, the California Private Attorney General Act, the California Family Rights Act, and any other Claims under federal, state, or local statutory, common law or equity, including but not limited to claims of breach of contract or duty, promissory estoppel, fraud, misrepresentation, intentional or negligent infliction of emotional distress, wrongful or retaliatory discharge, defamation, slander, invasion of privacy, negligence, assault, and battery. The foregoing release of Claims expressly includes a waiver of any right to recovery for the Claims released herein in any and all private causes of action and/or charges and/or in any and all complaints filed with, or by, any governmental agency and/or other person or tribunal.

To the fullest extent permitted by law, Employee agrees that Employee will not institute or initiate any action, administrative action, grievance, or other suit against the Released Parties with any state, federal, or local court or agency or other tribunal related to claims released through this Agreement. This provision shall not affect or interfere with Employee's right to file a charge with the Equal Employment Opportunity Commission or participate, cooperate, or assist in an investigation or proceeding conducted by any federal or state enforcement agency; but Employee knowingly and voluntarily waives the right to any form of recovery or compensation in any such action arising from or related to Employee's Employment with Company.

This release also encompasses any right by Employee to seek any wages or other compensation under any provision of state or federal law and that any claim to such wages is subject to a good faith dispute and therefore subject to release under Labor Code section 206.5. Employee expressly affirms that Employee has been paid all compensation which Employee is owed or is or was in any way entitled relating to Employee's Employment with Company, including but not limited to regular compensation, reimbursements, salary, and/or bonus payments and any associated penalties, and waives any right to seek any such compensation or penalties.

In the event that the Employee is a party to, or is a member of a class that institutes any claim or action against the Released Parties arising from conduct which predates this Agreement, Employee agrees that Employee's claims shall be dismissed or class membership terminated immediately upon presentation of this Agreement, and Employee shall execute any papers necessary to achieve this end.

Employee certifies that Employee has not experienced a job-related illness or injury for which Employee has not already filed a claim.

If any claim is not subject to release, to the extent permitted by law, Employee acknowledges and agrees that by virtue of this settlement Employee is no longer an aggrieved party and waives any right to participate in any representative action based on such a claim in which Company, including any and all parent corporation, affiliates, subsidiaries, managers, divisions, predecessors, insurers, successors and assigns, and each of their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs, is a party.

Besides waiving and releasing the claims above, Employee represents and warrants that Employee has not filed, and agrees that Employee will not file, or cause to be filed, any letter with the Labor Workforce Development Agency ("LWDA"), judicial complaint or lawsuit involving any claims released in this Agreement or any claims seeking any civil penalties on behalf of Employee or any third party, and agrees to withdraw any LWDA letters, judicial complaints or lawsuits that have been filed, if any, prior to the Effective Date of this Agreement. The Parties may bring a claim against the other party to enforce the terms of this Agreement.

Employee further agrees not to initiate, encourage, cause, or direct, other individual(s), including but not limited to Company's current or former employees to file any lawsuit, charge, complaint, claim, petition, or accusatory pleading against Company except as may be required pursuant to a lawfully served subpoena or as expressly permitted under section 7 of the NLRA or other applicable state or federal law.

4. Release of Age Discrimination Claim by Employee. Employee agrees to the release of all known and unknown claims, including expressly the waiver of any rights or claims arising out of the Federal Age Discrimination in Employment Act ("ADEA,") 29 U.S.C. § 621, et seq.), and the Older Workers Benefit Protection Act ("OWBPA") and in connection with such waiver:

a. Employee is hereby advised to consult with an attorney prior to signing this Agreement and Employee represents that Employee has had an opportunity to fully discussed all aspects of this Agreement with an attorney.

b. Employee shall have a period of twenty-one (21) days from the date of receipt of this Agreement in which to consider the terms of the Agreement. Employee may agree to waive that period of consideration. Employee understands and agrees that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner this twenty-one (21)-day review period.

c. Employee may revoke Employee's waiver and release of ADEA claims contained in this Agreement at any time during the first seven (7) days following Employee's execution of this Agreement, and the ADEA waiver and release shall not be effective or enforceable until the seven-day period has expired.

d. Employee acknowledges that Employee was provided a written Report that describes the classes, departments or groups of employees affected by the Reduction, any selection factors for the Reduction and any time limits applicable, the job titles and ages of all employees selected for the Reduction, and the ages of all employees in the same job classification or department who were not selected.

e. To revoke this Agreement, Employee must provide a written notice of Employee's revocation to at with a copy to .

5. Waiver of California Civil Code § 1542 Rights. Employee also specifically acknowledges that Employee is aware of and expressly waives all rights and benefits conferred on Employee now or in the future under the provisions of California Civil Code Section 1542, which provides as follows:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Employee, being aware of this section, hereby relinquishes all rights and benefits Employee may have based thereon and upon any other statutes or common law principles of similar effect. Employee does not waive any rights or claims that may arise after the date this Agreement is executed.

6. Ownership of Claims/No Pending Claims. Employee represents and warrants that Employee is the sole and lawful owner of all rights, title, and interest in and to all released

matters and potential claims referred to herein. Employee further represents and warrants that there has been no assignment or other transfer of any interest in any such matters and/or potential claims which Employee may have against Company. Employee further represents and warrants that there are no pending claims, charges, or complaints with any administrative agency or court. If any agency or court assumes jurisdiction over, or files any claims, charges, or complaints against Company on Employee's behalf, Employee will request, in writing, that such agency or court withdraw the matter to the extent those claims, charges, or complaints have been released herein.

7. Non-Disparagement/Neutral Reference. Employee agrees that Employee will not make, or cause to be made, any disparaging or defamatory statements, either orally or in writing, to any third party concerning Company or any of Company's officers, directors, employees, or agents. By this promise, Employee agrees not to make any disparaging or defamatory statements concerning Company's agents, representatives, employees, services, methods of doing business, or employment practices. Nothing in this agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination, or any other conduct that Employee has reason to believe is unlawful. Nothing in this provision shall limit Employee from in any way disclosing or discussing any information related to Employee's exercise of Employee's rights under Section 7 of the National Labor Relations Act or otherwise in any way impede Employee's exercise of rights under Section 7.

Company agrees to provide Employee with a neutral employment reference. The Parties further agree that, should Company be contacted for the purpose of obtaining an employment reference regarding Employee, Company will provide Employee's dates of employment and job title to any inquiring parties. Employee should refer any employment inquiries to at .

The Parties understand that this provision is a material term of the Agreement. The Parties agree that, in addition to any other remedies that may be available in law, equity, or otherwise, each Party may be entitled to equitable relief, including injunctive relief, in the event of any breach or imminent breach of this provision by the other Party.

8. Confidentiality. Employee agrees not to voluntarily reveal to anyone (unless compelled to do so by valid legal process), and to otherwise keep confidential, the specific terms of the Agreement (other than the confidentiality provision), including, but not limited to, the promises made and the sums paid (as recited above). Notwithstanding the foregoing, Employee may reveal the terms of the Agreement to Employee's accountant, financial professionals, spouse, attorneys, and/or the Internal Revenue Service, or applicable state Department of Revenue. If Employee discloses any term to any individuals listed herein (not including governmental entities such as the IRS or Department of Revenue), Employee will notify said individuals of the terms of the confidentiality provision and inform them of their obligation to keep these terms confidential. Employee further agrees, absent a court order, that the only information regarding the Agreement that Employee may provide to any person or entity not listed above is that "the terms of the Agreement are confidential." Employee agrees to give written notice to Company if Employee is required pursuant to a subpoena or court order to reveal any information regarding Employee's work for Company, or anything related to the Severance and Release Agreement, prior to providing such information. Nothing in this Agreement prohibits Employee from disclosing or discussing any facts relating to a claim of

sexual harassment, discrimination, or retaliation in the workplace brought by the Employee or prevents Employee from disclosing a claim of sexual harassment, discrimination, or retaliation occurring in the workplace or at a work-related event coordinated by or through the Company. Nothing in this provision shall limit Employee from in any way disclosing or discussing any information related to Employee's exercise of Employee's rights under Section 7 of the National Labor Relations Act or otherwise in any way impede Employee's exercise of rights under Section 7.

Employee understands that the covenant of confidentiality contained in the Agreement is a material inducement for entering into the Agreement and that, for the breach thereof, Company may suffer irreparable harm for which damages would be an inadequate remedy. Employee agrees that, in addition to any other remedies that may be available in law, equity, or otherwise, Company may be entitled to equitable relief, including injunctive relief, in the event of any breach or imminent breach of the Agreement.

9. Company Property/Information. Employee hereby represents and warrants that as of the Effective Date and to the best of Employee’s knowledge, Employee has returned to Company all Company property and documents in Employee’s possession including, but not limited to, Company files, notes, records, computer recorded information, tangible property, credit cards, entry cards, pagers, identification badges, laptop computers, cellular phones, and keys. Employee agrees that Employee will destroy the original and all copies of any email communications that Employee created or received by virtue of and during Employee’s employment with Company within 48 hours of execution of the Agreement. Employee also agrees to provide to Company contemporaneously with the execution of the Agreement, if Employee has not earlier done so, all passwords or other codes necessary for Company to gain access to any and all software or data maintained or stored in Company’s computer system. Employee further affirms that he/she is in possession of all personal property and that no such personal property is in the Company’s possession.

10.Reasonable Cooperation. Employee will provide reasonable cooperation to Company related to any business or other issues that arose during the Employment for which Employee had responsibility or involvement.

11.Successors and Assigns. It is expressly understood and agreed by the Parties that this Agreement and all of its terms shall be binding upon each Parties’ representatives, heirs, executors, administrators, successors, and assigns.

12.Attorney’s Fees. In the event that any Party to this Agreement asserts a claim for breach of this Agreement or seeks to enforce its terms, the prevailing Party in any such proceeding shall be entitled to recover Employee’s or its costs and reasonable attorney’s fees.

13.Consultation with Counsel. The Parties, and each of them, acknowledge that they have had the opportunity to consult with legal counsel of their choice prior to execution and delivery of this Agreement. This Agreement is to be interpreted as if both Parties have participated equally in the drafting of the Agreement and all its terms.

14.Headings. The headings in each paragraph herein are for convenience of reference only and shall be of no legal effect in the interpretation of the terms hereof.

15.Integration. This Agreement embodies the entire agreement of all the Parties hereto who have executed it and supersedes any and all other agreements, understandings, negotiations, or discussions, either oral or in writing, express or implied, between the Parties to this Agreement. The Parties to this Agreement each acknowledge that no representations, inducements, promises, agreements, or warranties, oral or otherwise, have been made by them, or anyone acting on their behalf, which are not embodied in this Agreement; that they have not executed this Agreement in reliance on any representation, inducement, promise, agreements, warranty, fact, or circumstances not expressly set forth in this Agreement; and that no representation, inducement, promise, agreement, or warranty not contained in this Agreement including, but not limited to, any purported settlements, modifications, waivers, or terminations of this Agreement, shall be valid or binding, unless executed in writing by all of the Parties to this Agreement. This Agreement may be amended, and any provision herein waived, but only in writing, signed by the party against whom such an amendment or waiver is sought to be enforced.

16.Severability. If any provision in this Agreement is found to be unenforceable, it shall not affect the enforceability of the remaining provisions and the Court shall enforce the remaining provisions to the extent permitted by law.

17.Counterparts. This Agreement may be executed in separate counterparts and each such counterpart shall be deemed an original with the same effect as if all Parties had signed the same document.

18.Voluntary Agreement. Employee understands and agrees that Employee may be waiving significant legal rights by signing this Agreement and represents that Employee has entered into this Agreement voluntarily, having had the opportunity to consult with an attorney, with a full understanding of and in agreement with all of its terms.

19.Effective Date. This Agreement shall be effective on the eighth day after it is signed by Employee.

20.Governing Law. This Agreement, in all respects, shall be interpreted, enforced and governed by and under the laws of the state of California.

[signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Confidential Separation Agreement and Release on the dates indicated below.

TIGO ENERGY, INC.

Date: September 26, 2024

By: /s/ Zvi Alon
Zvi Alon, Chief Executive Officer

Date: October 22, 2024

By: /s/ Jeffrey Sullivan
Jeffrey Sullivan

EXHIBIT 31.1

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 September 30, 2024 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: November 6, 2024

/s/ Zvi Alon
Zvi Alon
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

EXHIBIT 31.2

**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 September 30, 2024 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: November 6, 2024

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

EXHIBIT 32.1

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 September 30, 2024, 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: November 6, 2024

/s/ Zvi Alon
Zvi Alon
Chief Executive Officer and Chairman of the Board
(Principal Executive Officer)

EXHIBIT 32.2

**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 September 30, 2024, 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: November 6, 2024

/s/ Bill Roeschlein

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