

PosiGen Developer LLC

August 24, 2025

By Email

Re: Termination / WARN Act Notice

Dear Employee:

PosiGen Developer LLC (together with its indirect parent, PosiGen, PBC, the “Company”) is experiencing significant financial difficulties and is therefore required to cease most of its operations throughout the United States, effective immediately. As a result, and without limitation, the Company is implementing a permanent layoff in its facility located at 400 Davis Drive, Suite 400, Plymouth Meeting, PA 19462 and 231 East Elm Street, Conshohocken, PA 19428 (collectively, the “Facilities”), effective immediately, affecting employees located in or reporting remotely to the Facilities. This layoff will result in, among other things, the permanent closure of one or more operating units of the Facilities. The Company is actively seeking to obtain sufficient financing from its lender to continue its remaining operations and/or to effectuate a sale of its remaining business and, if it cannot do so, it intends to shut down all operations and close the entire Facilities.

We regret to inform you that, in connection with this layoff, your employment with the Company is terminated effective today, which is the date the layoff of employees at the Facilities commenced. All compensation and benefits cease as of the termination date, except that your group health insurance benefits will continue through August 31, 2025. Your final payment of wages will be made in accordance with applicable law but, in any event, no later than the next regularly scheduled payroll on August 29, 2025. The Company anticipates that you will be eligible to elect continuation coverage (at your expense) through COBRA, but this may change depending on the Company’s circumstances.

This notice serves to satisfy all applicable requirements of the federal Worker Adjustment and Retraining Notification Act (29 U.S.C. §2101 et seq.) (the “WARN Act”). The Company does not admit that such laws apply or that notice is required. If no WARN Act obligations exist, this notice is being provided to you voluntarily. The layoff is expected to be permanent. There are no transfer or “bumping rights” (i.e. retention of personnel based on seniority) applicable to this layoff.

The Company was not able to provide earlier notice due to the applicability of the “faltering company” and “unforeseeable business circumstances” exceptions to the WARN Act, as explained below.

The Company has been experiencing rapid growth recently due to certain external opportunities. The growth has placed the Company in a liquidity strain both in the short term and the long term. The Company was able to raise short-term financings to address its liquidity needs while it progressed towards a long-term financing solution. Ultimately, the Company’s efforts to raise long term capital, including through a possible asset securitization transaction, failed. This all occurred in the shadow of the passage of a new federal tax law that cancelled certain federal renewable energy tax credits as of the end of 2025, adding regulatory uncertainty to the renewables industry and making it more difficult for the Company to secure financing.

The Company was forced to use its working capital to advance toward completion the solar systems it is obligated to complete, and quickly found itself in a precarious liquidity position. The Company's subsidiary, PosiGen Backleverage, LLC ("Backleverage"), then missed making an interest payment on its credit facility in favor of preserving capital to make payments to its channel partners and pay operating expenses. The Company engaged in productive discussions with the lender under that facility but, in early August 2025 the lender exercised its rights to freeze cash in one of Backleverage's bank accounts, issue a notice of default, and accelerate the entire amount due in connection with the credit facility. These actions further strained the company's working capital and caused a sudden and unexpected interruption to the Company's business. The Company continued to work diligently with the Backleverage lenders, as well as with the Company's own creditors and equity investors, to secure capital to continue the operations of the Company.

Unfortunately, after extensive negotiations with the Company's existing stakeholders and a number of third parties, the Company has now determined that it is unable to secure sufficient capital to continue most of its operations and avoid the need for a significant headcount reduction. Although Backleverage believes it has obtained limited near-term liquidity this weekend from the lender under its credit facility, such limited near-term liquidity has been earmarked by the lender to preserve only a small portion of the Company's business. The Company must therefore cease all of its other business operations. These business circumstances were not reasonably foreseeable, and arose in an increasingly challenging economic environment that already has forced several other major companies in the renewables industry to cease or significantly reduce their operations.

At the time that notice would have been required, the Company was actively engaged in attempting to secure capital, which would have allowed the Company to avoid the restructuring and significant headcount reductions set forth herein. The Company believes that the sending of WARN notices prior to today would have prevented the Company from obtaining any new financing as it would have, among other things, risked the departure of employees, channel partners and customers (both existing and prospective) before any such new financing could have been consummated. This notice is being provided as soon as practicable after the Company learned that it would not be able to obtain the necessary capital to avoid this layoff.

Please return all documents, materials and property in your possession, custody or control that are the property of the Company or its affiliates, including but not limited to all written confidential information and all computer equipment, mobile phones, documents, files, office keys, and identification cards.

If you have any questions, please contact the Human Resources Department at hr@posigen.com or Brandy Mulherin, Vice President, Human Resources, at PosiGen Developer LLC, by telephone ((504) 655-1067) or by email bmulherin@posigen.com.

We wish you the best in your future endeavors.

Sincerely yours,

PosiGen Developer LLC

Peter Shaper

Peter Shaper
Chief Executive Officer