REFINITIV

DELTA REPORT

10-Q

BEEM - BEAM GLOBAL

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1062
CHANGES	254
DELETIONS	389
ADDITIONS	419

Table of Contents

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

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Period ended September 30, 2023 March 31, 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 001-38868

Beam Global
(Exact name of Registrant as specified in its charter)

Nevada	**26-1342810**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
5660 Eastgate Dr. **San Diego, California**	**92121**
(Address of principal executive offices)	(Zip Code)

((858) 858) 799-4583
(Registrant's telephone number, including area code)

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

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

Title of each class	Trading Symbol(s)	Name of each exchange in which registered
Common stock, $0.001 par value	BEEM	Nasdaq Capital Market
Warrants	BEEMW	Nasdaq Capital Market

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company under Rule 12b-2 of the Exchange Act. 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 No ☒

The number of registrant's shares of common stock, $0.001 par value outstanding as of November 1, 2023 May 16, 2024 was 14,231,041 14,537,451.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Beam Global
Condensed Consolidated Balance Sheets
(In thousands) thousands, except share and per share data)

	September 30, 2023	December 31, 2022	March 31, 2024 (Unaudited)	December 31, 2023
Assets				
Current assets				
Cash	$ 14,758	$ 1,681	$ 4,962	$ 10,393
Accounts receivable	14,892	4,429		
Accounts receivable, net of allowance for credit losses of $112 and $447			20,139	15,943
Prepaid expenses and other current assets	2,651	1,579	2,216	2,453
Inventory	13,534	12,246		
Inventory, net			11,474	11,933
Total current assets	45,835	19,935	38,791	40,722
Property and equipment, net	1,912	1,548	15,597	16,513
Operating lease right of use assets	1,155	1,638	2,249	1,026
Goodwill	4,600	4,600	10,150	10,270
Intangible assets, net	9,269	9,947	8,769	9,050
Deposits	62	62	98	62
Total assets	$ 62,833	$ 37,730	$ 75,654	$ 77,643
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable	$ 7,206	$ 2,865	$ 10,778	$ 9,732
Accrued expenses	3,036	1,687	3,812	2,737
Sales tax payable	92	33	211	209
Deferred revenue, current	498	1,183	1,007	828
Note payable, current	38	–	45	40
Deferred consideration, current			–	2,713
Contingent consideration, current	1	6,776	4,330	–
Operating lease liabilities, current	595	628	851	615
Total current liabilities	11,466	13,172	21,034	16,874
Deferred revenue, noncurrent	348	266	470	402
Note payable, noncurrent	171	–	178	160
Contingent consideration, noncurrent	–	15	248	4,725

Other liabilities, noncurrent			3,716	3,787
Deferred tax liabilities, noncurrent			1,662	1,698
Operating lease liabilities, noncurrent	618	1,070	1,444	455
Total liabilities	12,603	14,523	28,752	28,101
Stockholders' equity				
Preferred stock, $0.001 par value, 10,000,000 authorized, none outstanding as of September 30, 2023 and December 31, 2022.	–	–		
Common stock, $0.001 par value, 350,000,000 shares authorized, 13,937,366 and 10,178,306 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively.	14	10		
Preferred stock, $0.001 par value, 10,000,000 authorized, none outstanding as of March 31, 2024 and December 31, 2023.			–	–
Common stock, $0.001 par value, 350,000,000 shares authorized, 14,438,270 and 14,398,243 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively.			14	14
Additional paid-in-capital	138,507	100,498	142,991	142,265
Accumulated deficit	(88,291)	(77,301)	(96,398)	(93,361)
Accumulated Other Comprehensive Income (AOCI)			295	624
Total stockholders' equity	50,230	23,207	46,902	49,542
Total liabilities and stockholders' equity	$ 62,833	$ 37,730	$ 75,654	$ 77,643

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

Beam Global
Condensed Consolidated Statement of Operations and Comprehensive Loss
(Unaudited, in thousands except per share data)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues	$ 16,486	$ 6,611	$ 47,325	$ 14,099	$ 14,561	$ 13,020
Cost of revenues	16,203	6,950	46,536	15,069	13,082	13,015
Gross profit (loss)	283	(339)	789	(970)		
Gross profit					1,479	5
Operating expenses	4,037	6,468	11,925	10,933	4,527	3,846
Loss from operations	(3,754)	(6,807)	(11,136)	(11,903)	(3,048)	(3,841)
Other income (expense)						
Interest income	136	18	161	35	71	1
Other (expense) income	(7)	–	4	–	(56)	10
Interest expense	(4)	–	(6)	(1)	(4)	–
Other income	125	18	159	34	11	11
Loss before income tax expense	(3,629)	(6,789)	(10,977)	(11,869)	(3,037)	(3,830)
Income tax expense	–	–	13	1	–	1
Net loss	$ (3,629)	$ (6,789)	$ (10,990)	$ (11,870)	$ (3,037)	$ (3,831)
Net foreign currency translation adjustments					(329)	–
Total Comprehensive Loss					$ (3,366)	$ (3,831)
Net loss per share - basic	$ (0.26)	$ (0.67)	$ (0.79)	$ (1.21)	$ (0.21)	$ (0.38)
Net loss per share - diluted	$ (0.26)	$ (0.67)	$ (0.79)	$ (1.21)	$ (0.21)	$ (0.38)
Weighted average shares outstanding - basic	13,936	10,088	13,939	9,827	14,422	10,214
Weighted average shares outstanding - diluted	13,936	10,088	13,939	9,827	14,422	10,214

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

Beam Global
Consolidated Statements of Changes in Stockholders’ Equity
(Unaudited, in thousands)

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Stock	Amount	Capital	Deficit	Equity
Balance at December 31, 2021	8,972	$ 9	$ 83,588	$ (57,619)	$ 25,978
Stock issued for director services - vested	5	–	107	–	107
Stock issued to (released from) escrow account - unvested	2	–	–	–	–
Stock issued for acquisition	1,055	1	14,358	–	14,359
Stock option expense	–	–	94	–	94
Warrants exercised for cash	14	–	88	–	88
Net loss	–	–	–	(2,278)	(2,278)
Balance at March 31, 2022	10,048	$ 10	$ 98,235	$ (59,897)	$ 38,348
Stock issued for director services - vested	5	–	104	–	104
Stock issued to escrow account - unvested	(5)	–	–	–	–
Stock option expense	–	–	98	–	98
Warrants exercised for cash	36	–	228	–	228
Net loss	–	–	–	(2,803)	(2,803)
Balance at June 30, 2022	10,084	$ 10	$ 98,665	$ (62,700)	$ 35,975
Stock issued for director services - vested	5	–	104	–	104
Stock issued to escrow account - unvested	(5)	–	–	–	–
Stock option expense	–	–	111	–	111
Warrants exercised for cash	–	–	2	–	2
Stock option exercise (cashless)	1	–	–	–	–
Stock issued for Committed Equity Facility	11	–	140	–	140
Net loss	–	–	–	(6,789)	(6,789)
Balance at September 30, 2022	10,096	$ 10	$ 99,022	$ (69,489)	$ 29,543

	Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Stock	Amount	Capital	Deficit	Equity
Balance at December 31, 2022	10,178	$ 10	$ 100,498	$ (77,301)	$ 23,207
Stock issued for director services - vested	6	–	76	–	76
Stock issued to (released from) escrow account - unvested	(6)	–	–	–	–
Stock-based compensation to consultants	6	–	1,704	–	1,704
Employee stock-based compensation expense	–	–	438	–	438
Warrants exercised for cash	16	–	100	–	100
Sale of stock under Committed Equity Facility	38	–	158	–	158
Net loss	–	–	–	(3,831)	(3,831)
Balance at March 31, 2023	10,238	$ 10	$ 102,974	$ (81,132)	$ 21,852
Stock issued for director services - vested	12	–	148	–	148
Stock issued to (released from) escrow account - unvested	6	–	–	–	–
Settlement of earnout related to acquisition	447	1	7,050	–	7,051
Employee stock-based compensation expense	–	–	427	–	427
Proceeds from issuance of common stock, pursuant to public offering	3,063	3	25,421	–	25,424
Warrants exercised for cash	4	–	26	–	26
Sale of stock under Committed Equity Facility	171	–	1,956	–	1,956
Net loss	–	–	–	(3,530)	(3,530)
Balance at June 30, 2023	13,941	$ 14	$ 138,002	$ (84,662)	$ 53,354
Stock issued for director services - vested	6	–	77	–	77

Stock issued to (released from) escrow account - unvested	(12)	–	–	–	–
Employee stock-based compensation expense	–	–	424	–	424
Warrants exercised for cash	2	–	11	–	11
Expenses to maintain Committed Equity Facility	–	–	(7)	–	(7)
Net loss	–	–	–	(3,629)	(3,629)
Balance at September 30, 2023	13,937	$ 14	$ 138,507	$ (88,291)	$ 50,230

	Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Stockholders'
	Stock	Amount	Capital	Deficit	Income	Equity
Balance at December 31, 2022	10,178	$ 10	$ 100,498	$ (77,301)	$ 0	$ 23,207
Stock issued for director services - vested	6	–	76	–	–	76
Stock issued to (released from) escrow account - unvested	(6)	–	–	–	–	–
Stock-based compensation to consultants	6	–	1,704	–	–	1,704
Employee stock-based compensation expense	–	–	438	–	–	438
Warrants exercised for cash	16	–	100	–	–	100
Sale of stock under Committed Equity Facility	38	–	158	–	–	158
Net loss	–	–	–	(3,831)	–	(3,831)
Balance at March 31, 2023	10,238	$ 10	$ 102,974	$ (81,132)	$ 0	$ 21,852
Balance at December 31, 2023	14,398	$ 14	$ 142,265	$ (93,361)	$ 624	$ 49,542
Stock issued for director services - vested	0	–	6	–	–	6
Stock issued to (released from) escrow account - unvested	(0)	–	–	–	–	–
Stock-based compensation to consultants	–	–	–	–	–	–
Employee stock-based compensation expense	–	–	468	–	–	468
Warrants exercised for cash	40	–	252	–	–	252
Impact of foreign currency translation	–	–	–	–	(329)	(329)
Net loss	–	–	–	(3,037)	–	(3,037)
Balance at March 31, 2024	14,438	$ 14	$ 142,991	$ (96,398)	$ 295	$ 46,902

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

Beam Global
Condensed Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating Activities:		
Net loss	$ (10,990)	$ (11,870)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,054	789
Common stock issued for services	301	315
Change in fair value of contingent consideration liabilities	260	3,690
Employee stock-based compensation	1,289	303
Stock Compensation expense for non-employees	264	–
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(10,463)	(2,236)
Prepaid expenses and other current assets	479	(1,020)
Inventory	(1,149)	(8,304)
Increase (decrease) in:		
Accounts payable	4,341	2,255
Accrued expenses	1,390	194
Sales tax payable	59	5
Deferred revenue	(603)	155
Net cash used in operating activities	(13,768)	(15,724)
Investing Activities:		
Working capital payment for acquisition	–	(811)
Purchase of property and equipment	(787)	(755)
Funding of patent costs	(94)	(79)
Net cash used in investing activities	(881)	(1,645)
Financing Activities:		
Proceeds from sale of common stock under committed equity facility, net of offering costs	2,107	–
Proceeds from warrant exercises	137	318
Borrowings (repayments) of note payable	209	
Payments of equity offering costs	(151)	(218)
Proceeds from issuance of common stock and warrants, pursuant to public offering	25,424	–
Net cash provided by financing activities	27,726	100
Net increase (decrease) in cash	13,077	(17,269)
Cash at beginning of period	1,681	21,949
Cash at end of period	$ 14,758	$ 4,680
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	6	$ 1
Cash paid for taxes	$ 13	$ –
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Fair value of common stock issued as consideration for business combination	$ 7,051	$ 14,359
Purchase of property and equipment by incurring debt	$ 209	$ –
Purchase of property and equipment by incurring current liabilities	$ –	$ 9

Depreciation cost capitalized into inventory	$ 140	$ 126
Right-of-use assets obtained in exchange for lease liabilities	$ –	$ 192
Warrants issued for services to non-employee	$ 1,609	$ 140
Shares issued for services to non-employee	$ 95	$ –

	Three Months Ended **March 31,**	
	2024	**2023**
Operating Activities:		
Net loss	$ (3,037)	$ (3,831)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	930	332
Provision on credit losses	(336)	–
Common stock issued for services	–	76
Change in fair value of contingent consideration liabilities	(147)	(13)
Employee stock-based compensation	554	438
Disposal of property and equipment	27	–
Abandoned patent costs	36	–
Stock Compensation expense for non-employees	–	14
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(3,901)	(2,453)
Prepaid expenses and other current assets	151	390
Operating lease right of use asset	–	–
Inventory	425	(414)
Deposits	(36)	–
Increase (decrease) in:		
Accounts payable	956	4,235
Accrued expenses	1,082	932
Operating lease liability	–	–
Sales tax payable	2	(20)
Deferred revenue	258	(305)
Other long term liabilities	10	–
Net cash used in operating activities	(3,026)	(619)
Investing Activities:		
Purchase of property and equipment	(104)	(314)
Payment of Deferred Consideration	(2,713)	–
Funding of patent costs	–	(16)
Net cash used in investing activities	(2,817)	(330)
Financing Activities:		
Proceeds from sale of common stock under committed equity facility, net of offering costs	–	158
Proceeds from warrant exercises	252	100
Borrowings of note payable	25	–
Net cash used in financing activities	277	258
Effect of exchange rate changes	135	–
Net decrease in cash	(5,431)	(691)
Cash at beginning of period	10,393	1,681
Cash at end of period	$ 4,962	$ 990
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 4	$ –

Cash paid for taxes	$ –	$ 1
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Purchase of property and equipment by incurring current liabilities	$ 104	$ 21
Right-of-use assets obtained in exchange for lease liabilities	$ 1,223	$ –
Issuance of stock for Committed Equity Line	$ –	$ 140
Warrants issued for services to non-employee	$ –	$ 1,609
Shares issued for services to non-employee	$ –	$ 95

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

BEAM GLOBAL
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Beam Global, a Nevada corporation (hereinafter the "Company," "us," "we," "our" or "Beam"), is a sustainable clean technology innovation company innovator based in San Diego, California.

California; Broadview, Illinois and Kraljevo, Serbia. We develop, design, engineer, manufacture and sell high-quality, renewably energized infrastructure products for electric vehicle ("EV") charging, infrastructure, outdoor media and branding, and energy security and disaster preparedness. We also produce proprietary energy storage preparedness as well as safe and compact, highly energy-dense battery products. Our Electric Vehicle (EV) charging infrastructure solutions. Beam's products are powered by locally generated renewable energy and enable vital and highly valuable EV charging and energy securityservices production in locations where it is either too expensive or too disruptive, or impossible impactful to connect to a the utility grid, or where the requirements for electrical power are so important that grid failures, like blackouts, are intolerable. We do not compete with EV charging companies; rather, we enable such companies by providing infrastructure solutions that replace the time consuming and expensive process of construction and electrical work which are usually required to install traditional grid-tied EV chargers. We also do not compete with utilities. Our Beam's energy storage products provide utilities high energy density in a safe, compact and bespoke form-factors ideal for the rapidly increasing numbers of mobile and stationary equipment and products which require electrical energy without being connected to the electrical grid.

Beam's products and proprietary technology solutions target four markets that are experiencing significant growth with another tool to deliver reliable and low-cost electricity to EV chargers and, annual global spending in the case billions of a grid failure, to first responders and others, through our integrated emergency power panels. We also provide energy storage technologies that make commodity battery cells safer, longer lasting and more energy efficient and our thermal and battery management systems (BMS) and associated packaging make batteries safe and usable in a variety of mobility, energy-security, and stationary applications. dollars:

On October 20, 2023, Beam completed an acquisition of Amiga DOO Kraljevo ("Amiga"). Amiga is a business located in Serbia and engaged in the manufacture and distribution of steel structures with electronic integration, such as streetlights, cell towers, and ski lift towers. Amiga currently has engineering, product development and manufacturing capabilities which we believe are well suited to manufacturing and perfecting Beam's current products for the European market. Amiga is one of Europe's leading manufacturers of streetlights and Beam believes it is well positioned to bring Beam's patented EV Standard™ to market both in the EU and USA. Amiga's team of engineers will be integrated with Beam's current team which Beam believes will provide a valuable enhancement and acceleration of product development cycles. Amiga's current customer list includes entities in 16 international nations which are similar to Beam's current customers in the United States, creating what Beam believes will be a significant post-acquisition advantage in selling Beam's products to an international customer base.

- electric vehicle (EV) charging infrastructure;
- energy storage solutions;
- energy security and disaster preparedness; and
- outdoor media advertising.

Our charging infrastructure products are rapidly deployed without the need for construction or electrical work. We compete with the highly fragmented and disintegrated ecosystem of general contractors, electrical contractors, consultants, engineers, permitting specialists and others who are required to perform a traditional grid-tied EV charger installation construction and electrical project. Our clean-technology products are designed to replace a complicated, expensive, time-consuming and risk prone process with an easy, low total cost of ownership, robust and reliable product.

Basis of Presentation

The interim unaudited condensed consolidated financial statements included herein have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial statements and are in the form prescribed by the Securities and Exchange Commission in instructions to Form 10-Q and Rule 10-01 of Regulation S-X. In management's opinion, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly our results of operations and cash flows for the three months ending March 31, 2024 and nine months ended September 30, 2023 and 2022, 2023, and our financial position as of September 30, 2023 March 31, 2024, have been made. The results of operations for such interim periods are not necessarily indicative of the operating results to be expected for the full year.

Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or omitted from these interim financial statements. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2022 December 31, 2023. The December 31, 2022 December 31, 2023 balance sheet is derived from those statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the allowance for doubtful accounts receivable, credit losses (CECL), valuation of inventory and standard cost allocations, depreciable lives of property and equipment, valuation of contingent consideration liability, valuation of intangible assets, estimates of loss contingencies, estimates of the valuation of lease liabilities and the related right of use assets, valuation of share-based costs, and the valuation allowance on deferred tax assets.

Recent Accounting Pronouncements

In June 2016, October 2023, the FASB issued ASU *2016-13,Financial Instruments – Credit Losses* (ASC Topic 326) requiring initial recognition of credit losses, as well as any subsequent change 2023-06, "Disclosure Improvements" ("ASU 2023-06"), which amends the disclosure or presentation requirements related to various subtopics in the estimate, when it FASB Accounting Standards Codification (the "Codification"). The ASU was issued in response to the SEC's disclosure update and simplification initiative issued in August 2018. The effective date for the amendments for each topic will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective, with early adoptions prohibited.

In December 2023, the FASB issued ASU No. 2023-09, "*Income Taxes (Topic 740): Improvements to Income Tax Disclosures*" ("ASU 2023-09"). ASU 2023-09 requires disaggregated information about a company's effective tax rate reconciliation and information on income taxes paid. This standard is probable that a loss has been incurred. The standard eliminates effective for Beam beginning with our annual financial statements for the threshold for initial recognition in current U.S. GAAP and it covers a broad range of financial instruments, including trade and other receivables at each reporting date. The measurement of expected credit losses fiscal year ending December 31, 2025. Early adoption is based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the financial assets. permitted. The Company adopted this is currently evaluating the impact that the updated standard effective January 1, 2023 with no material effect will have on the our consolidated financial statements.

Concentrations

Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist of cash and accounts receivable.

The Company maintains its cash in banks and financial institutions that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts from inception through September 30, 2023 March 31, 2024. As of September 30, 2023 March 31, 2024, approximately $15.2 4.8 million of the Company's cash deposits were greater than the federally insured limits.

On March 10, 2023, Silicon Valley Bank ("SVB") was closed by the California Department of Financial Protection and Innovation, which immediately appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. At the time, the Company maintained all of its cash deposits with SVB. All deposits and substantially all of the assets of SVB were transferred to Silicon Valley Bridge Bank, N.A. ("SVBB"), which is no longer affiliated with SVB. On March 27, 2023, First-Citizens Bank & Trust Company entered into an agreement with the FDIC to purchase substantially all loans and certain other assets and assume all customer deposits and certain other liabilities of SVBB. The Company has full access to all of its deposited funds with SVBB and we have also established deposit accounts at Bank of America.

Major Customers

The Company continually assesses the financial strength of its customers. We are not aware of any material credit risks associated with our customers. 81 84% of our third first quarter revenues were derived from pre-funded federal, state and local government programs, and the remaining 19 16% were derived from commercial customers that we believe have good credit or, alternatively, favorable payment terms which minimizes our credit risk with respect to such customers. For the three months ended September 30, 2023 March 31, 2024, two customers accounted for 28 30% and 24% of total revenues and for the nine months ended September 30, 2023, three customers accounted for 43%, 23% and 10 18% of total revenues, with no other single customer accounting for more than 10%10% of total revenues. At September 30, 2023 March 31, 2024, accounts receivable from three customers accounted for 24 22%, 15 18% and 14% of total accounts receivable with no other single customer accounting for more than 10% of the accounts receivable balance. At December 31, 2022 December 31, 2023, accounts receivable from three four customers accounted for 30 11%, 15 10%, 10% and 11 10% of total accounts receivable each with no other single customer accounting for more than 10% of the accounts receivable balance. For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company's sales to federal, state and local governments represented 84% and 59 86% of revenues, respectively.

Fair Value Measurement

The Company follows the authoritative guidance that establishes a formal framework for measuring fair values of assets and liabilities in the consolidated financial statements that are already required by generally accepted accounting principles to be measured at fair value. The guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The transaction is based on a hypothetical transaction in the principal or most advantageous market considered from the perspective of the market participant that holds the asset or owes the liability.

The Company utilizes market data or assumptions that market participants who are independent, knowledgeable, and willing and able to transact would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable. The Company attempts to utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company is able to classify fair value balances based on the observability of those inputs. The guidance establishes a formal fair value hierarchy based on the inputs used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to level 3 measurements, and accordingly, Level 1 measurement should be used whenever possible.

The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities or published net asset value for alternative investments with characteristics similar to a mutual fund.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

The methods used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate, the fair value of certain financial instruments could result in a difference fair value measurement at the reporting date. There were no changes in the Company’s valuation methodologies from the prior year.

For purpose of this disclosure, the carrying amounts for financial assets and liabilities such as cash and cash equivalents, accounts receivable – trade, other prepaid expenses and current assets, accounts payable and other current liabilities, all approximate fair value due to their short-term nature as of March 31, 2024. The Company had Level 3 liabilities as of March 31, 2024. There were no transfers between levels during the reporting period.

	Level 1	Level 2	Level 3
Contingent Consideration as of December 31, 2023	$ –	$ –	$ 4,725
Additions	–	–	–
Change in fair value	–	–	(147)
Contingent Consideration as of March 31, 2024	$ –	$ –	$ 4,578

Significant Accounting Policies

During the nine three months ended September 30, 2023 March 31, 2024, there were no changes to our significant accounting policies as described in our Annual Report on Form 10-K for the year ended December 31, 2022, except for the adoption of ASC Topic 326 effective January 1, 2023 with no material effect on the financial statements. December 31, 2023.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of shares of common stock outstanding during the periods presented. Diluted net loss per share of common share stock is computed using the weighted average number of common stock outstanding for the period, and, if dilutive, potential common stock outstanding during the period. Potential common stock outstanding consists of shares of common stock issuable upon the exercise of stock options, stock warrants, or other common stock equivalents. Potentially dilutive securities common stock outstanding are excluded from the computation if their effect is anti-dilutive.

Options to purchase 363,598 592,658 shares of common stock and warrants to purchase 618,395 570,718 shares of common stock were outstanding at September 30, 2023 March 31, 2024. Options to purchase 279,658 346,758 common shares and warrants to purchase 469,305 624,306 shares of common stock were outstanding at September 30, 2022 March 31, 2023. These options and warrants were not included in the computation of diluted loss per share for the three months ended March 31, 2024 and nine months ended September 30, 2023 and 2022 2023 because the effects would have been anti-dilutive. These options and warrants may dilute future earnings per share.

Segments

The Company assesses its segment reporting based on how it internally manages and reports the results of its business to its chief operating decision maker. Management reviews financial results, manages the business and allocates resources on an aggregate basis. Therefore, financial results are reported in a single operating segment.

2. LIQUIDITY

The Company had net losses of $11.03.0 million (which includes $3.0 1.1 million of non-cash expenses) and $11.9 3.8 million (which includes $5.2 0.9 million of non-cash expenses) and net cash used in operating activities of $13.8 million $3.0 million and $15.7 million $0.6 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. At September 30, 2023 March 31, 2024, the Company had a cash balance of $14.8 5.0 million and working capital of $34.4 million. In June of 2023, the Company sold shares of its common stock in a public offering for net proceeds of approximately $25 17.8 million after deducting underwriting discounts and commissions and offering expenses paid by the Company. The Company used a portion of the proceeds to fund the acquisition of Amiga DOO Kraljevo (See note 3 below for further information), a European based manufacturer of smart street lights, street furniture and communications and security infrastructure products, in furtherance of the Company's strategy to expand its business in Europe as well as for working capital and general corporate purposes. million. Based on the Company's current operating plan and the available working capital that can be converted to cash, particularly the accounts receivable balance of approximately $20.1 million the Company believes that it has the ability to fund its operations and meet contractual obligations for at least twelve months from the date of this report.

In 2022, the Company entered into a Common Stock Purchase Agreement and Registration Rights Agreement with B. Riley Principal Capital II, LLC ("B. Riley") under which the Company has the right, but not the obligation, to sell up to $30.0 million worth of shares, but in any event, no more than 2.0 million shares of its common stock over a period of 24 months in its sole discretion (see note 11 for further information). The Company has issued 198,033 199,469 shares for $2.5 million for the first nine months of 2023 $2.5 million since 2022 under this agreement, compared to none for the same period in 2022. agreement. There is $27.5 million $27.5 million worth of shares of common stock remaining under this facility available to sell through Q4 2024.

The Company's outstanding warrants generated $0.1 0.3 million and $0.3 0.1 million of proceeds during each of the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. There are remaining Warrants to purchase 418,395 370,718 shares of common stock which were issued in our 2019 public offering expired on April 18, 2024. Excluding the warrants issued as part of in our 2019 public offering which have an exercise price of $6.30 and which expire in April of 2024. The recently expired, the Company has total warrants a warrant outstanding to purchase up to 618,395 200,000 shares of our Common Stock common stock at September 30, 2023, which an exercise price equal to $17.00 per share that expires in March 2028 that could potentially generate an additional $6.0 million $3.4 million of proceeds, over the next 4.5 years, conditioned upon the market price of our common stock and the warrant holders' holder's ability and decision to exercise them. The proceeds from these offerings are expected to provide working capital to fund business operations and the development of new products.

In March 2023, the Company entered into a supply chain line of credit agreement with OCI Group for up to $100 million to further support our working capital requirements. Subject to the terms of the agreement, OCI Group will make available to the Company funding based on amounts owed to the Company by its customers. Furthermore, we could pursue other equity or debt financings.

The Company believes that it will become profitable in the next few years as our revenues continue to grow, we improve our gross margins and we leverage our overhead costs, but we expect to continue to incur losses for a period of time. If necessary, the Company may raise additional capital to finance its future operations through equity or debt financings. There is no guarantee that profitable operations will be achieved, the warrants will be exercised or that additional capital or debt financing will be available on a timely basis, on favorable terms, or at all, and such funding, if raised, may not be sufficient to meet our obligations or enable us to continue to implement our long-term business strategy. In addition, obtaining additional funding or entering into other strategic transactions could result in significant dilution to our stockholders.

3. BUSINESS COMBINATION

All Cell Technologies, LLC Amiga DOO Kraljevo

On March 4, 2022, the Company acquired substantially all the assets of All Cell Technologies, LLC ("All Cell"), a leader in energy storage solutions. This acquisition has increased and diversified our Company's revenue, intellectual property portfolio and customer base, and improved our gross profitability and manufacturing capabilities. The Company purchased substantially all of the assets and business of All Cell for 1,055,000 shares of our common stock ("Closing Consideration") plus an additional $0.9 million in cash for the net working capital held by All Cell at closing.

In addition, All Cell is eligible to earn an additional number of shares of our common stock if the acquired energy storage business meets certain revenue milestones (the "Earnout Consideration"). The Earnout Consideration was: (i) two times the amount of energy storage products revenue and contracted backlog that is greater than $7.5 million for 2022, and is (ii) two times the amount of energy storage products 2023 revenue which exceeds the greater of either $13.5 million or 135% of the 2022 cumulative revenue, capped at $20.0 million. Any revenues exceeding $20.0 million in 2023 will not be eligible for the Earnout Consideration. The maximum aggregate number of shares of our common stock that we will issue to All Cell for the Closing Consideration and Earnout Consideration will not exceed 1.8 million shares. Revenue from energy storage products used in Beam Global products will not be considered as contributing to revenue in the Earnout calculation. The Company issued 446,815 shares of stock valued at $7.05 million as payment for the 2022 Earnout Consideration.

The valuation of the Earnout Consideration was performed using a two-factor Monte Carlo simulation, which includes estimates and assumptions such as forecasted revenues of All Cell, volatility, discount rates, share price and the milestone settlement value. As such valuation includes the use of unobservable inputs, it is considered to be a Level 3 measurement. The fair value of the Earnout Consideration is reassessed on a quarterly basis with the change recorded to operating expenses. Change in the fair value of the Earnout Consideration during the year ended December 31, 2022 and the nine months ended September 30, 2023 is as follows (in thousands):

Balance as of December 31, 2021	$	–
Acquisition of All Cell		1,251
Change in estimated fair value		5,540
Balance as of December 31, 2022	$	6,791
Issue earnout shares for 2022		(7,051)
Change in estimated fair value		261
Balance as of September 30, 2023	$	1

Amiga DOO Kralievo

On October 20, 2023, Beam the Company acquired Amiga DOO Kraljevo (“Amiga”), pursuant to a Share Sale and Purchase Agreement dated October 6, 2023 (the “Purchase Agreement”) by and among Beam the Company and the owners of Amiga (the “Sellers”). Amiga, located in Serbia, is engaged in the manufacture and distribution of steel structures with integrated electronics, such as streetlights, cell towers, and ski lift towers. Pursuant to the terms of the Purchase Agreement, Beam the Company acquired all the equity stock of Amiga from the Sellers in exchange for cash and common stock. With respect to the cash portion of the purchase price, Beam the Company paid to the Sellers EUR 4,550,000 4.6 million euros ($4.9 million) at closing and will pay the Sellers EUR an additional 2,450,000 2.5 million euros ($2.7 million) was deferred on or before December 31, 2023, and paid on January 2, 2024. With respect to the equity portion of the purchase price, Beam the Company issued to the Sellers 293,675 shares of our common stock upon closing and on or before December 31, 2023, will issue to the Sellers an additional 158,132 shares of our common stock. before December 31, 2023.

The Sellers are eligible to earn additional shares of our the Company’s common stock if such Seller is providing services to Beam and Amiga meets certain revenue milestones for fiscal the years 2024 ended December 31, 2024 and 2025 (the “Earnout Consideration”). The Earnout Consideration that Sellers are eligible to receive for 2024 is equal to two times the amount of revenue of Amiga (“Amiga Net Revenue”) that is greater than EUR 13,500,000 specific revenue targets for 2024. each of the years ended December 31, 2024 and 2025. The Earnout Consideration that Sellers are eligible to receive for 2025 is equal to (i) two times will be paid in the amount of Amiga Net Revenue for 2025 that exceeds the greater of (i) EUR 18,225,000 or (ii) 135% of the Amiga Net Revenue for 2024. The Earnout Consideration Company’s stock for each annual target period and will be calculated based on the volume weighted average price of Beam’s common stock for the thirty trading days prior to the end of the applicable measurement period. In no event and under no circumstances will the Sellers receive from Beam or will Beam Company issue to the Sellers an amount of our the Company’s common stock that exceeds 19.99% of the total outstanding common stock of Beam the Company immediately prior to the closing. An estimate of the fair value of the contingent consideration has been recorded in the opening balance sheet. Additionally, if within five years of the closing date of the acquisition Amiga receives a final award in specific legal proceedings in excess of EUR 3.8 million, the amount exceeding EUR 3.8 million is payable to the Sellers. This is not currently considered probable and therefore no accrual has been established. On February 16, 2024, the Company and the Sellers entered into an amendment to the Purchase Agreement to remove the requirement that the Sellers shall be providing services to Amiga as a condition to receive the Earnout Consideration. During the three months ended March 31, 2024, the Company recorded $0.1 million of income related to the fair value adjustment of the liability for Earnout Consideration.

Amiga, located in Serbia, is engaged in the manufacture and distribution of steel structures with integrated electronics, such as streetlights, cell towers, and ski lift towers.We expect the acquisition of Amiga to assist in introducing our products to Europe, increasing and diversifying our revenues, enhancing our manufacturing and engineering capabilities, accelerating the development of EV Standard™ and other products both in Europe and the US, adding new customer segments in both Europe and the US, increasing barriers to entry for future competition, and advancing Beam’s position as a leader in the green economy.

The acquisition was accounted for as a business combination in accordance with Accounting Standards Codification (ASC) 805, *Business Combinations*. Goodwill represents the premium the Company paid over net fair value of tangible and intangible assets acquired.

On November 7, 2023, Amiga changed its name to Beam Europe LLC.

Pro Forma Financial Information

The following pro forma financial information summarizes the combined results of operations of Beam Global and Amiga as if the companies had been combined as of the beginning of the three months ended March 31, 2023 (in thousands):

	March 31, 2023
Revenues	$ 14,425
Net Loss	$ (4,298)

The pro forma financial information is presented for information purposes only and is not indicative of the results of operations that would have been achieved had the acquisition been completed at the beginning of the three months ended March 31, 2023. In addition, the unaudited pro forma financial information is not a projection of future results of operations of the combined company, nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition. The unaudited pro forma financial information includes adjustments to reflect the incremental amortization expense of the identifiable intangible assets and transaction costs.

The statement of operations, in the table above, for the three months ended March 31, 2023 includes revenues of $1.4 million and loss from operations of $0.5 million from the acquired Amiga business.

4. INVENTORY

Inventory consists of the following (in thousands):

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Finished goods	$ 1,736	$ 2,814	$ 5,101	$ 1,953
Work in process	1,486	1,771	447	2,006
Raw materials	10,312	7,661	5,926	7,974
Total inventory	$ 13,534	$ 12,246		
Total inventory, net			$ 11,474	$ 11,933

5. PROPERTY AND EQUIPMENT

Property and equipment consist of the following (in thousands):

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Office furniture and equipment	$ 225	$ 186	$ 227	$ 227
Computer equipment and software	147	118	244	248
Leasehold improvements	222	180		
Land, buildings and leasehold improvements			7,771	7,935
Autos	595	337	649	616
Machinery and equipment	1,955	1,556	9,073	9,200
Total property and equipment	3,144	2,377	17,964	18,226
Less accumulated depreciation	(1,232)	(829)	(2,367)	(1,713)
Property and Equipment, net	$ 1,912	$ 1,548	$ 15,597	$ 16,513

Depreciation expense during the three months ended March 31, 2024 and March 31, 2023 was $0.7 million and $0.1 million, respectively.

6. INTANGIBLE ASSETS

The intangible assets consist of the following (in thousands):

	December 31, 2022				December 31, 2023			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-average Amortization Period (yrs)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-average Amortization Period (yrs)
Developed technology	$ 8,074	$ (612)	$ 7,462	11	$ 8,074	$ (1,346)	$ 6,728	11
Trade name	1,756	(146)	1,610	10	1,756	(322)	1,434	10
Customer relationships	444	(49)	395	13	444	(110)	334	13
Backlog	185	(154)	31	1	185	(185)	–	1
Patents	491	(42)	449	20	611	(57)	554	20
Intangible assets	$ 10,950	$ (1,003)	$ 9,947		$ 11,070	$ (2,020)	$ 9,050	

	March 31, 2024			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-average Amortization Period (yrs)
Developed technology	$ 8,074	$ (1,529)	$ 6,545	11
Trade name	1,756	(366)	1,390	10
Customer relationships	444	(122)	322	13
Backlog	185	(185)	–	1
Patents	573	(61)	512	20
Intangible assets	$ 11,032	$ (2,263)	$ 8,769	

	September 30, 2023

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-average Amortization Period (yrs)
Developed technology	$ 8,074	$ (1,162)	$ 6,912	11
Trade name	1,756	(278)	1,478	10
Customer relationships	444	(97)	347	13
Backlog	185	(185)	–	1
Patents	584	(52)	532	20
Intangible assets	$ 11,043	$ (1,774)	$ 9,269	

Amortization expense during the three months ended March 31, 2024 and March 31, 2023 was $0.2 million and $0.3 million, respectively.

7. ACCRUED EXPENSES

The major components of accrued expenses are summarized as follows (in thousands):

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Accrued Expenses:				
Accrued vacation	$ 230	$ 190	$ 255	$ 246
Accrued salaries and bonus	1,354	1,220	1,382	1,086
Vendor accruals	1,043	85	75	50
Accrued warranty	25	160	19	27
Customer prepayments			950	–
Other accrued expense	384	32	1,132	1,328
Total accrued expenses	$ 3,036	$ 1,687	$ 3,813	$ 2,737
Other Long-Term Liabilities:				
Long-term deferred tax liability			$ 1,662	$ 1,698
Acquired long-term liability			3,716	3,787
Total long-term liabilities			$ 5,378	$ 5,485

Acquired long-term liability of $3.8 million consists of a restructuring debt settlement from the acquisition of Amiga. The debt restructuring was entered into in 2021 for a nine year term with six years and nine months remaining at March 31, 2024. Payments are due quarterly as a percent of the remaining balance due.

8. NOTE PAYABLE

In May 2023, the Company purchased two new trucks and financed the purchase through an auto loan. The loan has a term of 60 months, requires monthly payments of approximately $4,452 4, thousand, and bears interest at a rate of 7.55 percent per year. Payment on the loan began in July 2023, and the loan has a short-term balance of $38,000 40. thousand. In March 2024, the Company purchased a forklift and financed the purchase through an auto loan. The loan has a term of 60 months, requires monthly payments of approximately $661, and bears interest at a rate of 6.54 percent per year. Payment on the loan began in February 2024, and the loan has a short-term balance of $6 thousand.

9. COMMITMENTS AND CONTINGENCIES

Legal Matters:

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of September 30, 2023 March 31, 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of our operations.

Other Commitments:

The Company enters into various contracts or agreements in the normal course of business whereby such contracts or agreements may contain commitments. Since inception, the Company entered into agreements to act as a reseller for certain vendors; joint development contracts with third parties; referral agreements where the Company would pay a referral fee to the referrer for business generated; sales agent agreements whereby sales agents would receive a fee equal to a percentage of revenues generated by the agent; business development agreements and strategic alliance agreements where both parties agree to cooperate and provide business opportunities to each other and in some instances, provide for a right of first refusal with respect to certain projects of the other parties; agreements with vendors where the vendor may provide marketing, investor relations, public relations, software licenses, technical consulting or subcontractor services, vendor arrangements with non-binding minimum purchasing provisions, and financial advisory agreements where the financial advisor would receive a fee and/or commission for raising capital for the Company.

10. INCOME TAXES

There was no Federal income tax expense for the nine three months ended September 30, 2023 March 31, 2024 or 2022 2023 due to the Company's net losses. Income tax expense represents the minimum state taxes due. As a result of the Company's history of incurring operating losses, a full valuation allowance has been established to offset all deferred tax assets as of September 30, 2023 March 31, 2024 and no benefit has been provided for the year-to-date quarter-to-date loss. On a quarterly basis, the company evaluates the positive and negative evidence to assess whether the more likely than not criteria have been satisfied in determining whether there will be further adjustments to the valuation allowance.

11. STOCKHOLDERS' EQUITY

Committed Equity Facility

On September 2, 2022, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") with B. Riley. Pursuant to the Purchase Agreement, the Company has the right, in its sole discretion, to sell to B. Riley up to $30.0 million, but in any event, a maximum of 2.0 million shares of the Company's common stock at 97% of the volume weighted average price ("VWAP") of the Company's common stock, on the trading day, as calculated in accordance with the Purchase Agreement, over a period of 24 months subject to certain limitations and conditions contained in the Purchase Agreement. Sales and timing of any sales are solely at the election of the Company, and the Company is under no obligation to sell any common stock to B. Riley under the Purchase Agreement. As consideration for B. Riley's commitment to purchase shares of the Company's common stock the Company issued B. Riley 10,484 shares of its common stock in both September 2022 and April 2023.

The Company incurred an aggregate cost of approximately $0.5 million in connection with the Purchase Agreement, including the fair value of the shares of common stock issued to B. Riley, which were recorded as equity on the Balance Sheet and offset proceeds from the sale of the Company's common stock under the Purchase Agreement.

During the nine months ended September 30, 2023, the The Company has issued 198,033 199,469 shares under the Purchase Agreement for $2.5 million $2.5 million in proceeds, of which $0.5 million was offset by the offering costs. costs as of March 31, 2024.

Stock Issued For Services

During the nine months ended September 30, 2023, the Company issued 6,444 shares of its common stock in exchange for marketing services to be provided over a six-month period. The fair value of such stock issued is $0.1 million and was recorded to prepaid expenses and other current assets upon issuance and recognized over the service period which ended in the third quarter of 2023.

Stock Options

Option activity for the nine three months ended September 30, 2023 March 31, 2024 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2022	336,758	12.54			
Outstanding at December 31, 2023				481,858	$ 10.41
Granted	46,000	12.07		113,000	6.10
Exercised	–	–			
Forfeited	(19,160)	19.21		(2,200)	10.74
Outstanding at September 30, 2023	363,598	$ 12.13	6.60 Years		
Outstanding at March 31, 2024				592,658	$ 8.48

The fair value of each option is estimated on the date of grant using the Black-Scholes option-pricing model using the assumptions in the table below and we assumed there would not be dividends paid during the life of the options granted during the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Nine months ended September 30, 2023
Expected volatility	90.2% - 94.5%
Expected term	6.5 - 7 Years
Risk-free interest rate	3.55% - 4.47%
Weighted-average FV	$9.71

	Three months ended March 31,	
	2024	2023
Expected volatility	90.28% - 90.37%	94.51%
Expected term	7 Years	7 Years
Risk-free interest rate	4.01% - 4.25%	3.55%
Weighted-average FV	$4.88	$14.28

The Company's stock option compensation expense was $0.1 0.2 million and $0.4 million for the three and nine months ended September 30, 2023 respectively, March 31, 2024, and $0.1 million and $0.3 million for each of the three and nine months ended September 30, 2022 March 31, 2023. There was $1.0 1.6 million of total unrecognized compensation costs related to outstanding stock options at September 30, 2023 March 31, 2024 which will be recognized over 4.0 3.0 years. Total intrinsic value of options outstanding and options exercisable were $0.2 0.4 million and $0.2 million,, respectively, as of September 30, 2023 March 31, 2024. The number of shares of common stock underlying stock options vested and unvested as of September 30, 2023 March 31, 2024 were 278,182 351,788 and 85,416 240,870, respectively.

Restricted Stock Units

In November 2022, the Company granted 142,500 restricted stock units ("RSUs") and up to 142,500 performance stock units ("PSU") to its Chief Executive Officer ("CEO"). 50% ofFor the RSUs, 50% vested upon the grant with date, 25% vesting vested on February 1st of 2024 February 1, 2024 and 2025. 25% will vest on February 1, 2025. The number of shares that will be earned under the PSUs will be determined based on the achievement of specific performance metrics during the three-years ending December 31, 2024.

There was no activity during the nine three months ended September 30, 2023 March 31, 2024. 142,500 PSUs and 71,250 RSUs remain outstanding as of September 30, 2023 March 31, 2024, with weighted-average grant-date fair values of $13.05 each.

Stock compensation expense related to the RSUs and PSUs was $0.9 0.3 million during the nine three months ended September 30, 2023 March 31, 2024, with $1.7 1.1 million in unrecognized stock compensation expense remaining to be recognized over 1.4 1.0 years as of September 30, 2023 March 31, 2024.

Restricted Stock Awards

The Company issues restricted stock to the members of its board of directors as compensation for such members' services. Such grants generally vest ratably over four quarters. The Company also previously issued restricted stock awards to its CEO, for which generally 50% of the shares granted vest ratably over four quarters and the remaining 50% vest ratably over twelve quarters. The common stock related to these awards are issued to an escrow account on the date of grant and released to the grantee upon vesting. The fair value is determined based on the closing stock price of the Company's common stock on the date granted and the related expense is recognized ratably over the vesting period.

A summary of activity of the restricted stock awards for the nine three months ended September 30, 2023 March 31, 2024 is as follows:

	Nonvested Shares	Weighted-Average Grant-Date Fair Value
Nonvested at December 31, 2022	17,865	$ 14.11
Granted	18,375	11.40
Vested	(23,765)	13.12
Forfeited	(5,400)	11.40
Nonvested at September 30, 2023	7,075	$ 13.84

Nonvested at December 31, 2023	1,238	$ 20.17
Vested	(310)	20.17
Nonvested at March 31, 2024	928	$ 20.17

Stock compensation expense related to restricted stock awards was $37 thousand and $0.3 0.1 million during each of the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023 respectively.

During the quarter ended September 30, 2023, 5,400 shares were forfeited from the escrow account as a result of the departure of a board member. As of September 30, 2023 March 31, 2024, there were unreleased unvested shares of common stock representing $0.1 million 18 thousand of unrecognized restricted stock grant expense which will be recognized over 1.25 1 years. year.

Warrants

During the nine months ended September 30, 2023, In 2023, the Company issued warrants to purchase up to 200,000 shares of the Company's common stock at a price per share equal to $17.00 to a consultant for investor relations services to be provided over a five-year period. The warrants are were immediately exercisable but are subject to repurchase by the Company until the required service is provided. The fair value of such warrants was $8.05 per share or $1.6 million on the date of grant using the Black-Scholes option-pricing model. This model incorporated certain assumptions for inputs including a risk-free market interest rate of 3.86%, expected dividend yield of the underlying common stock of 0%, expected life of 2.5 years and expected volatility in the market value of the underlying common stock based on our historical volatility of 99.6%. The fair value of the warrants was recorded to prepaid expenses and other current assets to be recognized over the service period. During the nine three months ended September 30, 2023 March 31, 2024, $0.1 0.3 million was recorded as expense and at September 30, 2023, $1.1 million $1.3 million of cost has not been recognized and will be recognized over the next 4.50 4.0 years.

A summary of activity of warrants outstanding for the nine three months ended September 30, 2023 March 31, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding at December 31, 2022	440,204	9.73		
Outstanding at December 31, 2023			610,745	$ 9.80
Granted	200,000	17.00	–	–
Exercised	(21,809)	6.30	(40,027)	6.30
Outstanding at September 30, 2023	618,395	$ 9.76		
Exercisable at September 30, 2023	618,395	$ 9.76		
Outstanding at March 31, 2024			570,718	$ 10.05
Exercisable at March 31, 2024			570,718	$ 10.05

Exercisable warrants as of September 30, 2023 March 31, 2024 have a weighted average remaining contractual life of 1.83 1.44 years. The intrinsic value of the exercisable shares of the warrants at September 30, 2023 March 31, 2024 was $0.5 million 0.2 million. . Warrants to purchase 370,718 shares of common stock at an exercise price equal to $6.30 which were issued in our 2019 public offering expired on April 18, 2024.

12. REVENUES

For each of the identified periods, revenues can be categorized into the following (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2023	2022	2024	2023
Product sales	$ 15,781	$ 6,268	$ 45,696	$ 13,022	$ 13,570	$ 12,811
Maintenance fees	23	17	57	37	27	16
Professional services	35	60	95	491	65	36
Shipping and handling	742	288	1,762	584	978	216
Discounts and allowances	(95)	(22)	(285)	(35)	(80)	(59)
Total revenues	$ 16,486	$ 6,611	$ 47,325	$ 14,099	$ 14,561	$ 13,020

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, 14 27% and 36 60% of revenues were derived from customers located in California, respectively. In addition, 10 11% and 11 10% of revenues in the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were international sales, respectively.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, deferred revenue was $0.8 1.5 million and $1.4 1.2 million,, respectively. These amounts consisted mainly of customer deposits in the amount of $0.4 0.9 million and $1.1 0.7 million for September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively and prepaid multi-year maintenance plans for previously sold products which account for $0.5 0.6 million and $0.3 0.5 million for September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, and pertain to services to be provided through 2029. 2031.

13. SUBSEQUENT EVENTS

Management has evaluated events that have occurred subsequent to the date of these condensed consolidated financial statements and has determined that no such reportable subsequent events exist through March 31, 2024. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

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

This report contains forward-looking statements that are based on current expectations, estimates, forecasts, and projections about us, the industry in which we operate and other matters, as well as management's beliefs and assumptions and other statements regarding matters that are not historical facts. These statements include, in particular, statements about our plans, strategies and prospects. For example, when we use words such as "projects," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "should," "would," "could," "will," "opportunity," "potential" or "may," and variations of such words or other words that convey uncertainty of future events or outcomes, we are making forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended.

These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause the Company's actual results to be materially different from any future results expressed or implied by the Company in those statements. The most important factors that could prevent the Company from achieving its stated goals include, but are not limited to, the following:

(a) volatility or decline of the Company's stock price, or absence of stock price appreciation;

(b) fluctuation in quarterly results;

(c) failure of the Company to earn revenues or profits;

(d) inadequate capital to continue or expand its business, and the inability to raise additional capital or financing to implement its business plans;

(e) reductions in demand for the Company's products and services, whether because of competition, general industry conditions, loss of tax incentives for solar power, technological obsolescence or other reasons;

(f) litigation with or legal claims and allegations by outside parties;

(g) insufficient revenues to cover operating costs, resulting in persistent losses;

(h) rapid and significant changes to costs of raw materials from government tariffs or other market factors;

(i) failure to realize the anticipated benefits of any acquisition or difficulties in integrating any acquisition with the Company and its operations;

(j) the preceding and other factors discussed in Part I, Item 1A, "Risk Factors," and other reports we may file with the Securities and Exchange Commission from time to time; and

(k) the factors set forth in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our 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. Because factors referred to elsewhere in this report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (sometimes referred to as the "2022 "2023 Form 10-K") that we previously filed with the Securities and Exchange Commission, including without limitation the "Risk Factors" section in the 2022 2023 Form 10-K, could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as may be required by applicable law, we undertake no obligation to release publicly the results of any revisions to these forward-looking statements or to reflect events or circumstances arising after the date of this report on Form 10-Q.

Overview

Beam Global develops, manufactures, and sells high-quality, renewably energized infrastructure products for electric vehicle charging infrastructure, energy storage, energy security, disaster preparedness and outdoor media.

The Company has five product lines that incorporate our proprietary technology for producing a unique alternative to grid-tied charging, having a built-in renewable energy source in the form of attached solar panels and/or light wind generator to produce power and battery storage to store the power. These products are rapidly deployable and attractively designed and include:

- EV ARC™ Electric Vehicle Autonomous Renewable Charger – a patented, rapidly deployed, infrastructure product that uses integrated solar power and battery storage to provide a mounting asset and a source of power for factory installed electric vehicle charging stations of any brand. The electronics are elevated to the underside of the sun-tracking solar array making the unit flood-proof up to nine and a half feet and allowing adequate space to park a vehicle on the engineered ballast and traction pad which gives the product stability and a certified wind rating of 160 miles per hour.

- Solar Tree® DCFC – Patented off-grid, renewably energized and rapidly deployed, single-column mounted smart generation and energy storage system with the capability to provide a 150kW DC fast charge to one or more electric vehicles or larger vehicles.

- EV ARC™ DCFC – DC Fast Charging system for charging EVs comprised of four interconnected EV ARC™ systems and a 50kW DC fast charger.

- EV-Standard™ – patent issued on December 31, 2019 and currently under development. A lamp standard, EV charging and emergency power product which uses an existing streetlamp's foundation and a combination of solar, wind, grid connection and onboard energy storage to provide curbside charging.

- UAV ARC™ - patent issued on November 24, 2020 and currently under development. An off-grid, renewably energized and rapidly deployed product and network used to charge aerial drone (UAV) fleets.

We believe that there is a clear need for a rapidly deployable and highly scalable EV charging infrastructure, and that our products fulfill that requirement. Unlike grid-tied installations which require general and electrical contractors, engineers, consultants, digging trenches, permitting, pouring concrete, wiring, and ongoing utility bills, the EV ARC™ system can be deployed in minutes, not months, and is powered by renewable energy so there is no utility bill. We are agnostic as to the EV charging service equipment or provider and integrate best of breed solutions based upon our customer's requirements. For example, our EV ARC™ and Solar Tree® products have been deployed with Chargepoint, Blink, Enel X, Electrify America and other high quality EV charging solutions. We can make recommendations to customers, or we can comply with their specifications and/or existing charger networks. Our products replace the infrastructure required to support EV chargers, not the chargers themselves. We do not sell EV charging, rather we sell products which enable it.

We believe our chief differentiators for our electric vehicle charging infrastructure products are:

- our patented, renewable energy products dramatically reduce the cost, time and complexity of the installation and operation of EV charging infrastructure and outdoor media platforms when compared to traditional, utility grid tied alternatives;

- our proprietary and patented energy storage solutions;

- our first-to-market advantage with EV charging infrastructure products which are renewably energized, rapidly deployed and require no construction or electrical work on site;

- our products' capability to operate during grid outages and to provide a source of EV charging and emergency power rather than becoming inoperable during times of emergency or other grid interruptions; and

- our ability to continuously create new and patentable marketable inventions by integrating our proprietary technology and parts, and other commonly available engineered components, which create a further barrier to entry for our competition;

- our international operations in two of the three largest automotive markets in the world today.

With the acquisition of All Cell Technologies, LLC ("All Cell") in March 2022, we now offer Beam AllCell™ energy storage technology with a highly flexible lithium-ion and/or lithium iron phosphate battery platform architecture. The battery design uses a proprietary phase change material which provides a low-cost thermal management solution and a unique safety mechanism to prevent propagation of thermal runaway. Our batteries are ideally suited for applications where energy density, safety and specialized enclosures require high power in small spaces. Drones, submersibles, medical and recreational products and a host of micro mobility products benefit from this technology. Beam is already using AllCell™ energy storage products in EV ARC™ products for EV charging and plans to incorporate this battery technology in our new product designs that are under development.

On October 20, 2023, Beam acquired Amiga DOO Kraljevo ("Amiga"), pursuant to a Share Sale and Purchase Agreement dated October 6, 2023 (the "Purchase Agreement") by and among Beam and the owners of Amiga (the "Sellers"). Amiga is a business located in Serbia and engaged in the manufacture and distribution of steel structures with electronic integration, including (i) infrastructure products for public lighting; (ii) infrastructure products for mobile telephone, networks and transmission lines; (iii) infrastructure products for tram, trolleybus, and railways; (iv) infrastructure products for contact networks, masts, portals and semi-portals for road and railway signaling; (v) large steel lattice structures for specific purposes (e.g., stadiums, factories, power plants, etc.); and (vi) distribution and command electrical cabinets. Amiga has engineering, product development and manufacturing capabilities which we believe are well suited to manufacture and sell Beam's current and future products in the European market. As a large European manufacturer of streetlights, we believe Amiga is well positioned to assist in the development of the EV-Standard™ for both the European and US markets.

<u>Overall Business Outlook</u>

Our revenues for the first nine three months of 2023 2024 were $47.3 million $14.6 million, a 236% 12% increase over $14.1 million $13.0 million for the first nine months same quarter in 2022, 2023, primarily derived from delivery of EV ARC™ systems to federal, state and other customers, as well as energy storage solutions in the U.S. and internationally. local governments. We have invested in sales and marketing resources over the past three plus years which has created increased demand for our EV ARC™ renewable chargers. Additionally, For the period, we reported revenues of $6.0 million year-to-date through September 30, 2023 from our battery storage business $1.4 million as a result of our acquisition of All Cell Amiga in March 2022. October 2023. The Company believes there continues to be a high level of support for funding EV charging infrastructure from both government and commercial entities, including a number of federal grants available under the Inflation Reduction Act. In addition, certain of our commercial customers may benefit from the Federal Solar Investment Tax Credit and accelerated depreciation as allowed under Section 179 of IRS code which, we believe, provide a competitive advantage for our products over traditionally installed EV charging infrastructure which is not eligible for these incentives. Given these available incentives, we have invested in a federal lobbyist, a federal business development resource and a government relations employee, who have helped to identify opportunities on the federal side and have increased awareness of our product and outreach with federal agencies. In addition, the General Services Administration (GSA) awarded Beam Global a federal blanket purchase agreement in April 2022 which provides federal agencies a streamlined procurement process for procuring EV ARC™ systems. As a direct result, Beam Global was awarded a number of federal government orders in September through November 2022 that have or will be delivered in 2023. In the nine three months ended September 30, 2023 March 31, 2024, we recorded revenues of $33.2 million $12.2 million for federal customers, compared to $3.2 million $11.2 million for the same period in 2022 due to these orders. 2023. We expect to see uneven orders from quarter to quarter, especially with our federal customers, but over time we expect our revenues to grow.

In addition, partially due to companies requiring employees to return to the workplace rather than working remotely from home as was the case during the pandemic, we are seeing an increase in requests for workplace charging and corporate which we expect to continue.

We expect the electric vehicle market to continue to experience significant growth over the next decade which will in turn cause a requirement for additional EV charging infrastructure. We believe our products are positioned to benefit significantly from this growth.

We believe the Company's acquisition of the assets of All Cell, a battery technology company, will increase our new customer opportunities. As a result of the acquisition of All Cell, we believe Beam's gross margin will continue to improve by utilizing the Beam All-Cell™ battery and other as a result of our storage technology solutions engineered by our team of engineers and scientists in Broadview, IL, in its EV ARCs™ systems, because we can reduce costs by retaining gross profits previously paid to battery vendors. Illinois. We now also have the ability to value engineer bespoke battery solutions for our products. Beam All-Cell™ batteries are ideally suited for applications where energy density, safety and bespoke enclosures require high power in small spaces. Drones, submersibles, recreational products and a host of micro mobility and electric vehicle products are already benefiting from our Beam All-Cell™ highly differentiated products. With the continued growth of untethered electrification, we believe there is opportunity for increased demand in these markets and others.

In October 2023, the Company completed the acquisition of Amiga. acquired Amiga, is an established manufacturer of specialized steel structures and equipment, producing street lights, communications and energy infrastructure whose manufacturing, engineering and sales teams service municipalities, states and commercial customers in 16 nations. The Company believes that the addition of Amiga will expand Beam's presence into the European market and increase its production, engineering, sales and product development expertise. The EU has mandated a transition to zero emission vehicles by 2035 and they are heavily focused on green and sustainable energy. An increase in electric vehicles adoptions will increase the demand for charging infrastructure. We believe that our sustainably energized EV ARC™ and EV Standard™ products can play a major role in the provision of EV charging infrastructure in Europe. Beam Europe Amiga is already producing components for EV ARC™ systems in our factory in Kraljevo at the time of this filing.

Our energy security business is connected with the deployment of our EV charging infrastructure products and serves as an additional benefit and value proposition for our charging products which, along with their integrated emergency power panels, can continue to operate, charge EVs, and deliver emergency power during utility grid failures. The state-of-the-art storage batteries installed on our EV charging systems are immune to grid failures and provide another benefit for customers such as municipalities, counties, states, the federal government, hospitals, fire departments, large private enterprises with substantial facilities, and vehicle fleet operators.

We are in development on our newest patented products - our EV Standard™ and UAV ARC™, which we expect will expand our product offerings leveraging the same proprietary technology as our current products and allow us to expand into new markets. Beam Europe Amiga is one of Europe's largest manufacturers of streetlights and has a team of qualified structural, electrical and civil engineers who are experts in the field of development and deployment of street lighting. They are working with our engineers in San Diego and Chicago to finalize the engineering and product development on our new EV Standard™ product. We believe that EV Standard™ may become our largest selling product when available for sale.

Our gross profit improved as a percentage of sales reporting a positive 10.2% gross margin in Q3 2023 was 1.7% of revenues, compared to -$5.1% Q1 2024, up 10.1% from the gross loss profit reported in Q3 2022. Gross margins improved to 1.7% as a percentage of revenues in the nine months ended September 30, 2023, compared to a -6.9% gross loss for the same period in 2022. Q1 2023. Additionally, our cost of goods sold included non-cash intellectual property amortization of $0.6 million and $0.5 million $0.2 million for the first nine three months of 2023 both 2024 and 2022, respectively, 2023, related to the acquisition of All Cell in 2022. Excluding this non-cash expense results in a positive gross profit of 2.9% 11.4% for the nine three months ended September 30, 2023 March 31, 2024. We increased the number of implemented engineering design changes to our EV ARC deliveries from 136™ in the first nine months of 2022 to 537 in the first nine months of Q4 2023 which that resulted in favorable fixed overhead absorption and improved labor efficiencies gained by the higher volume. There is no guarantee that cost reductions to our growth will continue at this same pace and expect that the receipt bill of orders may be choppy quarter over quarter, but we expect that in the long-term, our revenues will continue to grow. materials. Our gross profit improvements were achieved in spite of ongoing inflation and the high costs of many of our components, including steel, that began during the Covid pandemic and are only starting to decrease on new supply chain orders placed in 2023. pandemic. We expect to see these costs continue to decrease over time. Batteries are the highest cost contributor to our bill of materials, but with the acquisition of All Cell, we have seen these costs decrease. We are implementing lean manufacturing process improvements and making engineering changes to our product where we expect to benefit from cost reductions. Many of the components that we integrate into our products are manufactured by others. This is consistent with our strategy to take advantage of the investment by large and well-funded organizations in the improvement of various components and sub-assemblies which we integrate into our final product. We continue to identify components and sub-assemblies that may be more cost effective to outsource, which we believe may further reduce our costs, increase our gross margins, and significantly increase the potential output from our factory. There is no guarantee that our growth will continue at this same pace and we expect that the receipt of orders may be inconsistent quarter over quarter. We expect that in the long-term, our revenues will continue to grow as we expect to see a significant increase in the demand for electric vehicle charging infrastructure and as such we do not anticipate significant pricing pressure on our products. The combination of this increase in demand for electric vehicle charging infrastructure and our revenues, and the cost cutting measures described above lead us to believe that we will continue to see improvement in our gross margins over during the next year. Beam Europe Amiga has capabilities to self perform several activities which we outsource in the US. We believe that in combination with a generally less expensive operating environment in Serbia, we will be able to produce our products in Europe less expensively than in the US, even as we continue to reduce our costs in there. the US.

Significant Critical Accounting Policies and Estimates

The Company's significant accounting policies are described in Note 1 in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have been no material changes in these policies or their application.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates in the accompanying financial statements include the allowance for doubtful accounts receivable, valuation of inventory and standard cost allocations, depreciable lives of property and equipment, valuation of intangible assets, valuation of contingent consideration liability, estimates of loss contingencies, estimates of the valuation of lease liabilities and the related right of use assets, valuation of share-based costs, and the valuation allowance on deferred tax assets.

Changes in Accounting Principles. There were no significant changes in accounting principles that were adopted during the nine three months ended September 30, 2023 March 31, 2024.

Results of Operations

Comparison of Results of Operations for the Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023

Revenues. For the quarter ended September 30, 2023 March 31, 2024, our revenues increased 149% 12% to $16.5 million $14.6 million compared to $6.6 million $13.0 million for the same period in 2022. 2023. Revenues to federal customers increased by $7.5 million $1.0 million in Q3 2023 Q1 2024 compared to the quarter ended September 30, 2022 March 31, 2023. We also recorded energy storage revenues of $2.1 million $1.4 million as a result of our acquisition of All Cell Amiga in 2022. 2023. We continue to invest in sales and marketing employees, resources and programs to raise awareness of the benefits and value of our products, which is reflected in the strong year over year sales growth in the quarter. The receipt of orders may continue to be uneven due to the timing of customer approvals or budget cycles, however we believe that as EV adoption increases in concert with increased availability of infrastructure funding, our business will be less impacted by specific variations in order timing.

Gross Profit. For the quarter ended September 30, 2023 March 31, 2024, our gross profit was $0.3 million $1.5 million, or 2% 10.2% of sales, compared to a gross loss profit of $0.3 million, or 5% .04% of sales for the same period in 2022. 2023. As a percentage of sales, the margin improved by 7% 10.1%, primarily due because of cost reductions implemented in late 2023 as a result of design changes to the EV ARC™ as well as an increase in production levels in the current quarter compared to the prior year, which resulted in favorable fixed overhead absorption. Our gross profits were negatively impacted by included $0.2 million for non-cash intangible amortization. We began to see some improvements in the reduction of material pricing costs in late 2023, which we believe will should continue to improve over time. Our labor efficiency improved during the quarter as a result of a steady flow of units through the factory. We also implemented some new equipment and design changes during 2023 which helped to increase our production to meet the growing demand and which is helping to reduce the labor and material cost of our product. improve. In addition, as our revenues continue to increase in 2023 2024 and beyond, we expect our fixed overhead absorption to also continue to improve. Our engineering and operations teams have identified continue to identify further cost reductions and efficiencies which we believe will improve our gross margins further in Q4 of 2023 and Q1 of 2024. future quarters.

Operating Expenses. Total operating expenses were $4.0 million $4.5 million, or 24% 31% of revenues, for the quarter ended September 30, 2023 March 31, 2024, compared to $6.5 million $3.8 million, or 98% 30% of revenues, for the same quarter in the prior year, a decrease of 73% as a percentage of revenues. year. The $2.4 million decrease is mostly attributable to $3.9 million increase in the fair value of contingent consideration in the prior year compared to no change in the third quarter of 2023, partially offset by increases of $0.5 million for sales and marketing expenses, primarily for commissions due to higher revenues, $0.3 million for non-cash compensation expenses, $0.1 million for recruiting fees, $0.3 admin salaries and bonus accrual, $0.1 million for facility costs and $0.2 million of other increases as we scale up the business.

Comparison of Results of Operations for the Nine Months Ended September 30, 2023 and 2022

Revenues. For the nine months ended September 30, 2023, our revenues increased 236% to $47.3 million compared to $14.1 million for the same period in 2022. Revenues to federal, state and local governments increased by $31.6 million in the first nine months of 2023 compared to the same period in the prior year. International customers comprised 10% of the revenues through September 30, 2023, and were primarily from our energy storage business. Revenues derived from non-government, commercial entities increased by 28% from Q3 2022 to Q3 2023 year to date representing a partial return to pre-COVID levels. We recorded energy storage revenues of $6.0 million as a result of our acquisition of All Cell in 2022. We continue to invest in sales and marketing employees, resources and programs to raise awareness of the benefits and value of our products, which is reflected in the strong year over year sales growth in the quarter. The receipt of orders may continue to be uneven due to the timing of customer approvals or budget cycles, however we believe that as EV adoption increases in concert with increased availability of infrastructure funding, our business will be less impacted by specific variations in order timing.

Gross Profit. For the nine months ended September 30, 2023, our gross profit was $0.8 million, or 2% of sales, compared to a gross loss of $1.0 million, or 7% of sales in the same period of 2022. As a percentage of sales, the margin improved by 9%, primarily due to the increase in production levels in the current quarter compared to the prior year, which resulted in favorable fixed overhead absorption. Our gross profits were negatively impacted by $0.6 million for non-cash intangible amortization. We began to see some improvements on material pricing in 2023, which we believe will continue to improve over time. In addition, our labor efficiency improved during the quarter as a result of a steady flow of units through the factory. We continue to make engineering changes and work with suppliers to improve our costs which will continue to improve our gross profit over time.

Operating Expenses. Total operating expenses were $11.9 million, or 25% of revenues, for the nine months ended September 30, 2023, compared to $10.9 million, or 78% of revenues, for the same period in the prior year, an improvement of 53% as a percentage of revenues. The $1.0 million $0.7 million increase is mostly attributable to $1.0 million for non-cash compensation expenses, $1.0 million for admin salaries and bonus accrual, $0.8 million a $0.4 million increase in sales consultant costs related to the integration of our new ERP Accounting software, Sales and marketing expense, primarily Marketing, Government Relations and engineering design support, $0.3 million for commissions due operating expenses pertaining to higher revenues, $0.6 million for R&D salaries and expenses, $0.2 million for recruiting costs, $0.2 million for accounting fees, $0.2 million for facility costs, and $0.4 million of other increases, our new Amiga operations, partially offset by a $3.4 million decrease $0.1 million reduction for favorable change in the fair present value factor of our contingent consideration in the prior year to date compared to 2023. Due related to the acquisition of All Cell that closed in March 2022, expenses earnout for the first nine months of 2022 do not include operating expenses for January and February, which accounts for approximately $0.5 million of the increase. $3.0 million of the $11.9 million year to date 2023 operating expense is comprised on non-cash expense. Amiga acquisition.

Liquidity and Capital Resources

At September 30, 2023 March 31, 2024, we had cash of $14.8 million $5.0 million, compared to cash of $1.7 million $10.4 million at December 31, 2022 December 31, 2023. We have historically met our cash needs through a combination of debt and equity financing. Our cash requirements are generally for operating activities.

Our cash flows from operating, investing and financing activities, as reflected in the statements of cash flows, are summarized in the table below:

	September 30,	
	2023	2022
Cash provided by (used in):		
Net cash used in operating activities	$ (13,768)	$ (15,724)
Net cash used in investing activities	$ (881)	$ (1,645)
Net cash (used in) provided by financing activities	$ 27,726	$ 100

	March 31,	
	2024	2023
Cash provided by (used in):		
Net cash used in operating activities	$ (3,026)	$ (619)
Net cash used in investing activities	$ (2,817)	$ (330)
Net cash provided by financing activities	$ 277	$ 258

For the nine three months ended September 30, 2023 March 31, 2024, our cash used in operating activities was $13.8 million $3.0 million compared to $15.7 million $0.6 million for the nine three months ended September 30, 2022 March 31, 2023. Net loss of $11.0 million $3.0 million for the nine three months ended September 30, 2023 March 31, 2024 was increased adjusted by $3.2 million $1.1 million of non-cash expense items that included depreciation and amortization of $1.1 million, common stock issued for services for director compensation of $0.3 million $0.9 million, employee stock-based compensation expense of $1.3 million $0.6 million, offset by decreases of $0.3 million provision on credit losses and $0.1 million for a change in the fair value of contingent consideration liabilities of $0.3 million and $0.3 million of other for stock compensation for non-employees. liabilities. Further, cash used in operations included a $10.5 million $3.9 million increase in accounts receivable due to the increase in revenues and the timing of customer payments, $1.1 million increase in inventory and $0.6 million decrease in deferred revenue for customer deposits. payments. Cash generated from operations included a $4.3 million $1.0 million increase in accounts payable primarily for inventory, $1.4 million $1.1 million increase in accrued expenses, $0.4 million decrease in inventory, $0.3 million increase in deferred revenue and $0.5 million $0.2 million decrease in prepaid expenses and other current assets.

For the nine three months ended September 30, 2022 March 31, 2023, our cash used in operating activities was $15.7 million $0.6 million. Net loss of $11.9 million $4.1 million for the nine three months ended September 30, 2022 March 31, 2023 was increased by $5.1 million $0.9 million of non-cash expense items that included a change in fair value of contingent consideration of $3.7 million, depreciation and amortization of $0.8 million $0.3 million, common stock issued for services for director compensation of $0.3 million $0.1 million and non-cash employee stock-based compensation expense related to the grant of stock options of $0.3 million $0.5 million. Further, cash used in operations included a $2.2 million $2.4 million increase in accounts receivable $1.0 million due to the increase in prepaid expenses revenues in the quarter, $0.3 million decrease in deferred revenue, and other current assets, primarily related to the prepayment of battery cells, and $8.3 million a $0.2 million increase in inventory (i) to secure battery cells required for battery manufacturing inventory. Cash used in case of potential future supply chain challenges and (ii) due to higher work in process inventory of nearly complete EV ARC units that were waiting for parts as well as finished EV ARC units awaiting final delivery at September 30, 2022. Cash provided by operations included a $2.3 million $4.2 million increase in accounts payable primarily for inventory, $0.2 million increase in deferred revenue and $0.2 million $0.9 million increase in accrued expenses. expenses and a $0.4 million decrease in prepaid expenses and other current assets.

Cash used in investing activities in the nine three months ended September 30, 2023 March 31, 2024 included $0.8 million $2.7 million reduction of deferred consideration for a cash payment for the Amiga acquisition and $0.1 million for the purchase of equipment; primarily transportation equipment a sleeving machine and an automated welder used compared to $0.3 million purchased in our battery manufacturing and $0.1 million for patent costs. The nine months ended September 30, 2022 included a $0.8 million working capital cash payment related to the acquisition of All Cell and $0.8 million to purchase equipment and patent costs. same period in the prior year.

For the nine three months ended September 30, 2023 March 31, 2024, cash generated by our financing activities included $25.4 million $0.3 million for the exercise of warrants compared to $0.2 million in proceeds from the public offering issuance of common stock, net of offering expenses, $2.1 million for shares sold through the Company's equity facility, $0.2 million for repayment of note payable and $0.1 million from the exercise of warrants, compared to $0.3 million for the exercise of warrants for the same period in the prior year.

Current assets were $45.8 million $38.8 million on September 30, 2023 March 31, 2024, an increase a decrease from $19.9 million $40.7 million at December 31, 2022 December 31, 2023, primarily due to increases decreases of $13.1 million $5.4 million in cash, $10.5 million $0.5 million in accounts receivable, $1.1 million inventory, $0.2 million in prepaid expenses and other current assets and $1.3 million offset by an increase of $4.2 million in inventory. accounts receivable. Current liabilities decreased increased to $11.5 million $21.0 million at September 30, 2023 March 31, 2024 from $13.2 million $16.9 million at December 31, 2022 December 31, 2023, primarily due to a $6.8 million decrease in a non-cash contingent consideration reserve attributable to our March 2022 acquisition of All Cell, and a $0.7 million decrease in deferred revenue, offset by a $4.3 million $1.0 million increase in accounts payable and $1.3 million $1.1 million increase in accrued expenses. As a result, our working capital increased decreased to $34.4 million $17.8 million at September 30, 2023 March 31, 2024 compared to $6.8 million $23.8 million at December 31, 2022 December 31, 2023.

The Company has been focused on marketing and sales efforts to increase our revenues. Revenues increased annually by 45% from 2020 to 2021, 144% from 2021 to 2022, and the first nine months of 206% from 2022 to 2023 was 236% higher than the first nine months of 2022 demonstrating that this investment has been successful. Improvements to gross profitability have been made despite the current inflationary period. As revenues increase, we expect to continue to see our fixed overhead costs spread over more units, which will reduce the cost per unit. Our engineering and operations teams have made several design changes and process improvements in our product development and manufacturing operations in 2023 which has helped to increase labor efficiency and reduce material costs. In addition, the Company has increased pricing in Q3 of 2023 for the first time to cover some of the inflationary cost increases, which we should benefit from as those proposals become new orders are received and are shipped in future quarters.

On March 22, 2023, the Company entered into that certain Supply Chain Line of Credit with OCI Limited (“OCI”), whereby OCI may provide a supply chain line of credit in the amount of up to $100 million based on the amounts of approved accounts receivable of the Company (the “Credit Facility”). In order to request a drawdown on the Credit Facility, the Company is required to submit a transaction request to OCI which sets forth the terms of the applicable account receivables, including but not limited to the name of the party responsible for the applicable account receivables (the “Obligor”), the terms of repayment and the amount of such receivables. The Company has no obligation to submit a drawdown request and OCI is not obligated to accept any drawdown request from the Company. In the event OCI accepts a drawdown request of the Company and upon satisfaction of certain conditions required by OCI to issue the drawdown, OCI will disburse funds to the Company for such drawdown in an amount equal to the full value of the applicable account receivables assigned to OCI minus any transaction expenses incurred by OCI and the full amount of interest to be incurred for such receivables over the term of the drawdown. The Company will pay interest on any drawdown at the Secured Overnight Financing Rate +300 basis points. Upon the disbursement of funds to the Company for a drawdown, the Company will assign all rights to such account receivables of the Obligor to OCI. The Company will act as collection agent on any account receivables assigned to OCI and agrees to establish a designated bank account for the purpose of collecting payment on any applicable account receivables that are assigned to OCI. In the event (i) the Company is in material breach of the Credit Facility, (ii) the Company or the Obligor is insolvent or is subject to reorganization or liquidation, or (iii) any dispute related to an agreement with an Obligor or non-payment by an Obligor, OCI has the right to exercise any contractual rights it may have against Obligor, increase the interest rate to the agreed upon default interest rate, and demand immediate repayment by the Company for the outstanding amounts owed under such account receivables. The Company has also agreed to indemnify OCI for any losses incurred by OCI in connection with the Credit Facility. Either party may terminate the Credit Facility at any time by providing fifteen (15) days prior written notice to the other party. To date, Beam Global has not drawn on this line of credit.

The Company may be required to raise capital until it achieves positive cash flow from its business, which is predicated on increasing sales volumes and the continuation of production cost reduction measures. In September 2022, the Company entered into a Common Stock Purchase Agreement with B. Riley under which the Company has the right to sell up to $2 million the lesser of its either two million shares or $30 million of our common stock over a period of 24 months (see note 10 for further information.) In addition, we could pursue other equity or debt financing. Furthermore, the Company has warrants to purchase 618,395 shares The rest of our Common Stock outstanding at September 30, 2023, which could potentially generate an additional $6.0 million $3.4 million of proceeds over the next 4.5 4.0 years, depending on the warrant holders’ ability and decision to exercise them. The proceeds from these offerings are expected to provide working capital to fund business operations and the development of new products. Management cannot currently predict when or if it will achieve positive cash flow. There is no guarantee that profitable operations will be achieved, the warrants will be exercised or that additional capital or debt financing will be available on a timely basis, on favorable terms, or at all, and such funding, if raised, may not be sufficient to meet our obligations or enable us to continue to implement our long-term business strategy. In addition, obtaining additional funding or entering into other strategic transactions could result in significant dilution to our stockholders.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources, that are material to investors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Currency Risk

We are exposed to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances and results of our non-United States subsidiaries into United States dollars, currency gains and losses related to intercompany and third-party transactions denominated in currencies other than a subsidiary's functional currency, and currency gains and losses associated with global intercompany receivable and payable balances. Our principal currency exposures relate to the Serbian Dinar and the Euro. The impact of foreign exchange rate fluctuations on our net earnings in the first quarter ending March 31, 2024 was not significant.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not Applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure adequate internal controls and procedures that are designed to ensure that information required to be disclosed over financial reporting, as such term is defined in our reports under the Securities Exchange Act Rule 13a-15(f). The design of 1934 (the "Exchange Act") any system of controls is recorded, processed, summarized based in part upon certain assumptions about the likelihood of future events, and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission (the "SEC"), and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based closely on the definition of "disclosure controls and procedures" in Rule 15d-15(e) under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized there can be no assurance that any controls and procedures, design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. All internal control systems, no matter how well designed, and operated, have inherent limitations. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving the desired control objectives, with respect to financial statement preparation and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. presentation.

During the period covered by this filing, we conducted an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our internal controls over financial reporting. Amiga is a small business and represents less than 10.0% of our 2024 revenues and 10.7% of our 2024 net loss. There was no material change to its internal control over financial reporting due to the acquisition. Based upon the foregoing, our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, identified as of September 30, 2023 March 31, 2024, we do not have sufficient internal controls over financial reporting and procedures to ensure that all the information required to be disclosed in our Exchange Act reports was recorded, processed, summarized and reported on a timely basis.

We identified the The following material weakness which existed as of December 31, 2022 December 31, 2023:

Material weakness:

- The Company has a material weakness that was previously identified, that has not yet been completely remediated. The Company currently does not have sufficient controls in place to ensure that all inventory is appropriately tracked and recorded on a timely basis, given the lack of an automated tracking system and the manual nature of its current processes and controls surrounding inventory. This includes a manual process for completing an allocation of labor and overhead to our products on a timely basis. The Company implemented a NetSuite ERP system in Q4 2023 which we believe will remedy this deficiency. The NetSuite ERP system is continually undergoing additional configuration to effectively remediate the internal control weakness when fully implemented.
- During Q4 2023, the Company implemented NetSuite ERP system to automate operations and accounting for the San Diego and Chicago locations. We did not implement program change management and user access controls to ensure that:
  a. IT program and data changes affecting the Company's financial IT applications & underlying accounting records are identified, tested, authorized, and implemented appropriately, and
  b. Appropriate segregation of duties that would adequately restrict user access and ensure adequate review of transactions.

Because we are a small company, many employees have multiple job responsibilities, and during the implementation in Q4, access was allowed for employees to access necessary tasks. As we move forward into 2024, we will assign access to ensure the proper segregation of duties. Additionally, we need to ensure the employees are adequately trained and able to resolve issues timely. The Company needs to establish appropriate procedures for change management to ensure changes to the system are formally approved, properly restricted to appropriate personnel, and adequately tested.

- The In our review, we noted that the Company performs manual processes during the year did not implement adequate controls relating to track and control inventory transactions, apply labor and overheads to inventory and to perform a wall-to-wall physical inventory at the end documentation of the year review and approval of reconciliations and other schedules prepared internally to confirm the ending inventory balance and valuation. While these processes provide good results in determining inventory and cost of sales transactions, as we grow, it has become a very time-consuming process and could impact our ability to submit timely reporting. While manual controls improved significantly in 2022 and 2023 at our San Diego location, we determined we had similar issues with manufacturing systems at our Chicago facility that was added in 2022 as a result of the All Cell acquisition. We believe an enterprise resource planning (ERP) system will provide automated processes, better controls, and improved management tools to analyze and plan production while assisting be included or disclosed in the avoidance financial statements. Many of over-purchasing or inventory shortages. our reports and reconciliations are performed in Excel spreadsheets, and we did not adequately validate the segregation of duties between the preparer and the approver with a signature and time stamp. NetSuite has many robust internal control features that can be configured and utilized to ensure workflow approvals are adhered to and integrated into documentation.

Since these controls have a pervasive effect across the inventory transaction cycle, management has determined that these circumstances constitute a material weakness, based on the criteria established in the "Internal Integrated Framework" issued by COSO in 2013 and as a result, we did not maintain effective internal control over financial reporting as of September 30, 2023 March 31, 2024.

Changes in Internal Control Over Financial Reporting

The Company is continuing to actively work to remediate the material weaknesses described above, including the need for additional remediation steps and implementing additional measures to remediate the underlying causes that give rise to the material weaknesses. During the nine three months ended September 30, 2023 March 31, 2024, we began the Company has taken various actions to implement stronger processes related to ordering, counting, warehousing, valuing and transacting strengthen our inventory at our energy storage facility in Broadview, IL. We also are completing the process of implementing a new company-wide enterprise resource planning (ERP) system to replace our existing QuickBooks system, internal control over financial reporting, including:

- Reviewing access in NetSuite ERP to ensure the proper segregation of duties and training courses to ensure the employees are adequately trained and able to resolve issues timely.
- Implementing stronger processes related to ordering, counting, warehousing, valuing and transacting our inventory in NetSuite ERP.
- Increasing the adequacy of staffing levels and expertise with the requisite technical knowledge and skills to support further enhancement on the controls and procedures surrounding documentation of review and formalization of reconciliations, accounting policies and controls.
- Implementing a segregation of duties between the preparer and the approver of reconciliation and supporting schedules which included hiring additional staff.

The material weaknesses will be effective considered remediated when management concludes that, through testing, the applicable remedial controls are designed, implemented and operating effectively. As management continues to evaluate and improve disclosure controls and procedures and internal control over financial reporting, the Company may decide to take additional measures to address control deficiencies or determine to modify, or in Q3 2023. appropriate circumstances not to complete, certain of the remediation measures identified.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company may from time to time become party to actions, claims, suits, investigations or proceedings arising from the ordinary course of our business, including actions with respect to intellectual property claims, breach of contract claims, labor and employment claims and other matters. Any litigation could divert management time and attention from the Company, could involve significant amounts of legal fees and other fees and expenses, or could result in an adverse outcome having a material adverse effect on our financial condition, cash flows or results of operations. Actions, claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty. We are not currently involved in any legal proceedings that we believe are, individually or in the aggregate, material to our business, results of operations or financial condition. However, regardless of the outcome, litigation can have an adverse impact on us because of associated cost and diversion of management time.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, and the risk factors set forth below, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, which could materially affect our business, financial condition, liquidity or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may materially adversely affect our business, financial condition, liquidity or future results.

If we are not able to comply with the applicable continued listing requirements or standards of Nasdaq, our common stock may be delisted.

Our common stock is currently listed on Nasdaq. In order to maintain such listing, we must satisfy minimum financial and other continued listing requirements and standards, including those regarding director independence and independent committee requirements, minimum stockholders' equity, minimum share price, and certain corporate governance requirements.

On June 2, 2023, the Company notified Nasdaq that effective as of June 30, 2023 it was not in compliance with Nasdaq Listing Rule 5605(c)(2)(A) as a result of the resignation, for personal reasons, of a member of the Company's board who was also a member of the Company's Audit Committee. Nasdaq Listing Rule 5605(c)(2)(A) requires the Audit Committee to have at least three independent members (as defined by Nasdaq Listing Rule 5605(a)(2) and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934), at least one of whom is an audit committee financial expert. As a result of the resignation of Nancy Floyd, the Company no longer has an Audit Committee comprised of three independent directors. The Nasdaq Listing Rules provide for a cure period during which the Company may regain compliance with Nasdaq Listing Rule 5605(c)(2)(A). Under Nasdaq Listing Rule 5605(c)(4), the Company shall have until the earlier of its next annual meeting of stockholders or one year from the occurrence of the event that caused the failure to comply with Nasdaq Listing Rule 5605(c)(2)(A); provided, however, that if the next annual meeting of stockholders occurs no later than 180 days following the event that caused the vacancy, the Company shall instead have 180 days from such event to regain compliance. The Company is currently interviewing candidates to fill this board vacancy and to chair the audit committee and intends to do so within the applicable cure period.

There can be no assurances that we will be able to regain compliance with Nasdaq's listing standards or if we do later regain compliance with Nasdaq's listing standards, will be able to continue to comply with the applicable listing standards. If we are unable to maintain compliance with these Nasdaq requirements, our common stock will be delisted from Nasdaq.

If Nasdaq delists our common stock, we could face significant material adverse consequences, including:

- **a limited availability of market quotations for our securities;**
- **a determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules and possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;**
- **a limited amount of news and analyst coverage for our company; and**
- **a decreased ability to issue additional securities or obtain additional financing in the future.**

We may fail to realize all of the anticipated benefits of the acquisition of Amiga or those benefits may take longer to realize than expected and our business, financial condition and results of operation could be materially and adversely affected. We may also encounter significant difficulties in integrating Amiga with Beam and its operations.

Our ability to realize the anticipated benefits of the acquisition of Amiga will depend, in part, on our ability to integrate Amiga, which may be a complex, costly and time-consuming process. We will be required to devote significant management attention and resources to integrate the business practices and operations of the acquired business. The integration process may disrupt our business and, if implemented ineffectively, could restrict the realization of the full expected benefits. In addition, the integration of the acquired business may result in material unanticipated issues, expenses, liabilities, competitive responses, and diversion of management's attention. The failure to meet the challenges involved in the integration process and to realize the anticipated benefits of the acquisition could cause an interruption of, or a loss of momentum in, our operations and could materially and adversely affect our business, financial condition and results of operations.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected benefits and diversion of management's time and energy, which could adversely affect our business, financial condition and results of operations and result in us becoming subject to litigation. In addition, even if the acquisition were to be integrated successfully, the full anticipated benefits of the acquisition may not be realized within the anticipated time frame, or at all. We may not be able to maintain the results of operations or operating efficiency that we and the acquired business have achieved or might achieve separately. Further, additional unanticipated costs may be incurred in the integration process as a result of risks currently unknown to us. All of these factors could cause reductions in our earnings per share, decrease or delay any accretive or other beneficial effect of the acquisition and negatively impact the price of our common stock.

Amiga is a private Serbian company that has not been subject to an audit by an accounting firm under U.S. GAAP standards and has not previously been subject to the Sarbanes-Oxley Act of 2002, the rules and regulations of the SEC or other corporate governance requirements.

Amiga is a private Serbian company. To date, Amiga has not had its financial statements reviewed or audited by an accounting firm under U.S. GAAP standards and has not been subject to the Sarbanes-Oxley Act of 2002, the rules and regulations of the SEC, or other corporate governance requirements to which public reporting companies may be subject. As a result, we will be required to implement the appropriate internal control processes and procedures over Amiga's financial accounting and reporting. The combined company may incur significant legal, accounting and other expenses in efforts to ensure that Amiga meets these requirements. Implementing the controls and procedures at Amiga that are required to comply with the various applicable laws and regulations may place a significant burden on our management and internal resources. The diversion of management's attention and any difficulties encountered in such an implementation could adversely affect our business, financial condition and operating results.

Our inability to successfully integrate Amiga's operations could adversely affect our operations; potential need for additional financing.

Our acquisition of Amiga represents a significant investment. The acquisition requires our and Amiga's significant attention and resources, which could reduce the likelihood of achievement of other corporate goals. Both we and Amiga have experienced significant operating losses. As a result, we may need additional financing to help fund our business and satisfy our obligations, which will require additional management time to address. There is no assurance that we will realize the benefits of the acquisition of Amiga that we hope will be achieved.

As a result of the acquisition of Amiga, Beam expects to generate an increasing portion of its revenue internationally in the future and may become subject to various additional risks relating to its international activities, which could adversely affect its business, operating results and financial condition.

Beam has limited experience operating internationally and engaging in international business involves a number of difficulties and risks, including:

- the challenges associated with building local brand awareness, obtaining local key opinion leader support and clinical support, implementing reimbursement strategies and building local marketing and sales teams;
- required compliance with foreign regulatory requirements and laws, including regulations and laws;
- trade relations among the United States and those foreign countries in which Beam's future customers, distributors, manufacturers and suppliers have operations, including protectionist measures such as tariffs and import or export licensing requirements, whether imposed by the United States or such foreign countries;
- difficulties and costs of staffing and managing foreign operations;
- difficulties protecting, procuring or enforcing intellectual property rights internationally;
- required compliance with anti-bribery laws, such as the U.S. Foreign Corrupt Practices Act, data privacy requirements, labor laws and anti-competition regulations;
- laws and business practices that may favor local companies;
- longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- political and economic instability; and
- potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements and other trade barriers.

In the event that Beam dedicates significant resources to its international operations and is unable to manage these risks effectively, Beam's business, operating results and financial condition may be adversely affected.

We are subject to foreign currency exchange rate and other related risks.

With the acquisition of Amiga, we are subject to foreign currency exchange rate risk to the extent that our costs are denominated in currencies other than those in which we earn revenues. In addition, since our financial statements are denominated in U.S. dollars, changes in foreign currency exchange rates, especially the Euro and the Serbian Dinar, between the U.S. dollar and other currencies will impact our results of operations, financial condition and cash flows. We also face risks arising from the imposition of foreign exchange controls and currency devaluations. Foreign exchange controls may limit our ability to convert foreign currencies into U.S. dollars or to remit dividends and other payments by our foreign subsidiaries or businesses located in or conducted within a country imposing control. Currency devaluations result in a diminished value of funds denominated in the currency of the country instituting the devaluation.

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

During the quarter ended March 31, 2024, no director or officer adopted or terminated any Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Form	Incorporated by Reference File No.	Exhibit	Filing Date	Filed Herewith
3.1	Articles of Incorporation	SB-2	333-147104	3.1	11/2/2007	
3.2	Amendment to Articles of Incorporation dated December 23, 2016	S-1/A	333-226040	3.1.2	4/4/2019	
3.3	Certificate of Change to Articles of Incorporation dated April 11, 2019	8-K	001-38868	3.1	4/18/2019	
3.4	Certificate of Amendment to Articles of Incorporation dated September 14, 2020	8-K	000-53204	3.1	9/14/2020	
3.5	Certificate of Amendment to Articles of Incorporation dated July 20, 2021	8-K	001-38868	3.1	7/20/2021	
3.6	Bylaws of Registrant	SB-2	333-147104	3.2	11/2/2007	
3.7	Amendment to Bylaws	8-K	000-53204	10.2	7/16/2014	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act					X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act					X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act					X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act					X
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Schema Document					X
101.CAL	Inline XBRL Calculation Linkbase Document					X
101.DEF	Inline XBRL Definition Linkbase Document					X
101.LAB	Inline XBRL Labels Linkbase Document					X
101.PRE	Inline XBRL Presentation Linkbase Document					X
104	The cover page to this Quarterly Report on Form 10-Q has been formatted in Inline XBRL					X

Exhibit Number	Exhibit Description	Form	Incorporated by Reference File No.	Exhibit	Filing Date	Filed Herewith
3.1	Articles of Incorporation	SB-2	333-147104	3.1	11/2/2007	
3.2	Amendment to Articles of Incorporation dated December 23, 2016	S-1/A	333-226040	3.1.2	4/4/2019	

3.3	Certificate of Change to Articles of Incorporation dated April 11, 2019	8-K	001-38868	3.1	4/18/2019	
3.4	Certificate of Amendment to Articles of Incorporation dated September 14, 2020	8-K	000-53204	3.1	9/14/2020	
3.5	Certificate of Amendment to Articles of Incorporation dated July 20, 2021	8-K	001-38868	3.1	7/20/2021	
3.6	Bylaws of Registrant	SB-2	333-147104	3.2	11/2/2007	
3.7	Amendment to Bylaws	8-K	000-53204	10.2	7/16/2014	
10.1	Amended and Restated Lease Agreement dated February 1, 2024	8-K	000-53204	10.1	3/28/2024	
10.2	Amendment to Share Sale and Purchase Agreement dated February 16, 2024	8-K	000-53204	10.1	2/16/2024	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act					X
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act					X
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act					X
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act					X
101.INS	Inline XBRL Instance Document					X
101.SCH	Inline XBRL Schema Document					X
101.CAL	Inline XBRL Calculation Linkbase Document					X
101.DEF	Inline XBRL Definition Linkbase Document					X
101.LAB	Inline XBRL Labels Linkbase Document					X
101.PRE	Inline XBRL Presentation Linkbase Document					X
104	The cover page to this Quarterly Report on Form 10-Q has been formatted in Inline XBRL					X

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: November 14, 2023 May 20, 2024

Beam Global

By: /s/ Desmond Wheatley
Desmond Wheatley, Chairman and Chief Executive Officer,
(Principal Executive Officer)

By: /s/ Katherine H. McDermott Lisa A. Potok
Katherine H. McDermott, Lisa A. Potok, Chief Financial Officer
(Principal Financial/Accounting Officer)

Exhibit 31.1

CERTIFICATION

I, Desmond Wheatley, certify that:

1. I have reviewed this report on Form 10-Q of Beam Global;

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.

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 (of 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 small business issuer's internal control over financial reporting.

Date: November 14, 2023 May 20, 2024

/s/ Desmond Wheatley
Desmond Wheatley, Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Katherine H. McDermott, Lisa A. Potok, certify that:

1. I have reviewed this report on Form 10-Q of Beam Global;

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.

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 (of 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 small business issuer's internal control over financial reporting.

Date: November 14, 2023 May 20, 2024

/s/ Katherine H. McDermott Lisa A. Potok
Katherine H. McDermott Lisa A. Potok
Chief Financial Officer
(Principal Financial/Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Beam Global (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024 (the "Report") I, Desmond Wheatley, Chief Executive Officer of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(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.

/s/ Desmond Wheatley
Desmond Wheatley
Chief Executive Officer
(Principal Executive Officer)

Date: November 14, 2023 May 20, 2024

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Exhibit 32.2

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

In connection with the Quarterly Report of Beam Global (the "Company") on Form 10-Q for the period ending September 30, 2023 March 31, 2024 (the "Report") I, Katherine H. McDermott, Lisa A. Potok, Chief Financial Officer (Principal Financial/Accounting Officer) of the Company, certify, pursuant to 18 USC Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge and belief:

(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.

/s/ Katherine H. McDermott Lisa A. Potok
Katherine H. McDermott Lisa A. Potok
Chief Financial Officer
(Principal Financial/Accounting Officer)

Date: November 14, 2023 May 20, 2024

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

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