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DELTA REPORT

10-Q

EVTV - ENVIROTECH VEHICLES, INC.

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

The following comparison report has been automatically generated

TOTAL DELTAS	1103
CHANGES	162
DELETIONS	615
ADDITIONS	326

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 QUARTERLY 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: 001-38078

ENVIROTECH VEHICLES, INC.

(Exact name of registrant as specified in its charter)

Delaware	46-0774222
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1425 Ohlendorf Road
Osceola, AR 72370
(Address of principal executive offices, including zip code)
(870) 970-3355
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former 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 on which registered
Common Stock, par value $0.00001 per share	EVTV	Nasdaq Stock Market LLC

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock as of November 10, 2023 May 13, 2024 was 15,106,088. 16,196,462.

ENVIROTECH VEHICLES, INC. AND SUBSIDIARIES

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FORM 10-Q FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2023 MARCH 31, 2024

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q ("Quarterly Report") contains "forward-looking statements" that involve substantial risks and uncertainties. Forward-looking statements relate to future events or our future financial performance or condition and involve known and unknown risks, uncertainties and other factors that could cause our actual results, levels of activity, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "should," "will" and "would" or the negatives of these terms or other comparable terminology intended to identify statements about the future.

You should not place undue reliance on forward-looking statements. The special note set forth in this Quarterly Report, including in "Risk Factors" and elsewhere, identify important factors which you should consider in evaluating our forward-looking statements. These factors include, among other things:

- ability to generate demand for our zero-emission commercial fleet vehicles in order to generate revenue;
- dependence upon external sources for the financing of our operations;
- ability to effectively execute our business plan;
- ability and our suppliers' ability to scale our zero-emission products assembling processes effectively and quickly from low volume production to high volume production;
- ability to manage our expansion, growth and operating expenses and reduce and adequately control the costs and expenses associated with operating our business;
- ability and our manufacturing partners' ability to navigate the current disruption to the global supply chain and procure the raw materials, parts, and components necessary to produce our vehicles on terms acceptable to us and our customers;
- ability to obtain, retain and grow our customers;
- ability to enter into, sustain and renew strategic relationships on favorable terms;
- ability to achieve and sustain profitability;
- ability to evaluate and measure our current business and future prospects;
- ability to compete and succeed in a highly competitive and evolving industry;

- ability to respond and adapt to changes in electric vehicle technology; and

- ability to protect our intellectual property and to develop, maintain and enhance a strong brand.

You should read this Quarterly Report and the documents that we reference elsewhere in this Quarterly Report completely and with the understanding that our actual results may differ materially from what we expect as expressed or implied by our forward-looking statements. Factors that may cause or contribute to such differences include, but are not limited to, those discussed in greater detail, particularly in Part I, Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations) and in Part II, Item 1A (Risk Factors) of this Quarterly Report. In light of the significant risks and uncertainties to which our forward-looking statements are subject, you should not place undue reliance on or regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified timeframe, or at all. These forward-looking statements represent our estimates and assumptions only as of the date of this Quarterly Report regardless of the time of delivery of this Quarterly Report. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this Quarterly Report.

Unless expressly indicated or the context requires otherwise, references in this Quarterly Report to "Envirotech," the "Company," "we," "our," and "us" refer to Envirotech Vehicles, Inc. and our consolidated subsidiaries, unless the context indicates otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ENVIROTECH VEHICLES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(unaudited)

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
ASSETS				
Current assets:				
Cash and cash equivalents	$ 879,042	$ 2,765,068	$ 1,049,357	$ 456,719
Restricted cash	—	60,399		
Marketable securities	—	2,336,402		
Accounts receivable, net of allowance of $271,218 and $271,218, respectively	1,624,369	2,073,691		
Accounts receivable, net of allowance of $20,903 and $20,929 respectively			1,025,187	692,102
Inventory, net	6,882,247	5,671,326	7,240,719	6,830,593
Inventory deposits	3,133,753	4,829,933	2,833,631	3,300,388
Prepaid expenses	909,847	445,963	357,152	614,238
Other current assets	162,695	156,457	136,680	162,119
Total current assets	13,591,953	18,339,239	12,642,726	12,056,159
Property and equipment, net	356,271	368,461	309,452	320,687
Right-of-use asset			467,320	538,932
Goodwill	11,290,491	14,682,620	9,583,836	9,583,836
Other non-current assets	183,369	93,369	160,157	153,555
Total assets	$ 25,422,084	$ 33,483,689	$ 23,163,491	$ 22,653,169

LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$ 739,236	$ 603,744	$ 960,142	$ 760,802
Accrued liabilities	411,323	652,528	646,993	452,236
Operating lease liability - short-term			303,967	291,263
Options liability, at fair value			1,443,835	—
Convertible note, at fair value			1,027,067	—
Notes payable - current	476,497	215,766	112,518	269,245
Total current liabilities	1,627,056	1,472,038	4,494,522	1,773,546
Long-term liabilities				
Operating lease liability - long-term			155,015	235,625
Notes payable - long-term	13,024	16,671	8,857	10,420
Total liabilities	1,640,080	1,488,709	4,658,394	2,019,591
Stockholders' equity (deficit):				
Preferred stock, 5,000,000 authorized, $0.00001 par value per share, none issued and outstanding as of September 30, 2023, and December 31, 2022	—	—		
Common stock, 350,000,000 authorized, $0.00001 par value per share, 15,106,088 and 15,021,088 issued and outstanding as of September 30, 2023, and December 31, 2022, respectively	151	150		
Preferred stock, 5,000,000 authorized, $0.00001 par value per share, none issued and outstanding as of March 31, 2024, and December 31, 2023			—	—
Common stock, 350,000,000 authorized, $0.00001 par value per share, 15,520,637 and 15,171,748 issued and outstanding as of March 31, 2024, and December 31, 2023, respectively			155	152
Additional paid-in capital	85,220,733	83,923,350	87,649,804	85,245,925
Accumulated deficit	(61,438,880)	(51,928,520)	(69,144,862)	(64,612,499)
Total stockholders' equity	23,782,004	31,994,980	18,505,097	20,633,578
Total liabilities and stockholders' equity	$ 25,422,084	$ 33,483,689	$ 23,163,491	$ 22,653,169

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ENVIROTECH VEHICLES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	For the Three Months Ended		For the Nine Months Ended		For the Three Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2024	March 31, 2023
Sales	$ 100,024	$ 1,029,280	$ 2,756,103	$ 2,625,090	$ 810,490	$ 523,199
Cost of sales	80,283	677,855	1,739,005	1,599,290	502,271	404,836
Gross profit	19,741	351,425	1,017,098	1,025,800	308,219	118,363
Operating expenses						

General and administrative	2,578,727	1,584,973	6,785,405	6,113,957	3,194,251	2,165,532
Consulting	(13,312)	94,187	207,930	264,505	—	174,809
Research and development	46,734	25,000	175,546	112,412	70,265	70,888
Goodwill impairment charge	3,392,129	—	3,392,129	—		
Total operating expenses, net	6,004,278	1,704,160	10,561,010	6,490,874	3,264,516	2,411,229
Loss from operations	(5,984,537)	(1,352,735)	(9,543,912)	(5,465,074)	(2,956,297)	(2,292,866)
Other (expense)/income:						
Interest (expense)/income, net	(2,647)	30,200	43,455	37,956		
Interest (expense) income, net					(6,143)	32,153
Unrealized loss on financial instruments at fair value					(1,569,927)	—
Other expense	(1,239)	(1,233)	(9,903)	(10,094)	4	(7,195)
Total other (expense)/income	(3,886)	28,967	33,552	27,862	(1,576,066)	24,958
Loss before income taxes	(5,988,423)	(1,323,768)	(9,510,360)	(5,437,212)	(4,532,363)	(2,267,908)
Income tax expense	—	—	—	—	—	—
Net income loss	$ (5,988,423)	$ (1,323,768)	$ (9,510,360)	$ (5,437,212)	$ (4,532,363)	$ (2,267,908)
Net loss per share to common stockholders:						
Basic and diluted	$ (0.40)	$ (0.09)	$ (0.63)	$ (0.36)	$ (0.29)	$ (0.15)
Weighted shares used in the computation of net loss per share:						
Basic and diluted	15,068,208	15,013,236	15,036,967	14,981,836	15,375,051	15,021,088

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ENVIROTECH VEHICLES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023

(unaudited)

	Common Stock		Additional Paid-In	Accumulated	Stockholders'	Common Stock		Additional Paid-In	Accumulated	Stockholders'
	Shares	Amount	Capital	Deficit	Equity (Deficit)	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balance, December 31, 2022	15,021,088	$ 150	$ 83,923,350	$ (51,928,520)	$ 31,994,980					
Balance, December 31, 2023						15,171,748	$ 152	$ 85,245,925	$ (64,612,499)	$ 20,633,578
Common stock issued for cash						348,889	$ 3	$ 585,496		585,499
Stock based compensation	—	—	87,144	—	87,144	—	—	1,818,383	—	1,818,383
Net loss	—	—	—	(2,267,908)	(2,267,908)	—	—		(4,532,363)	(4,532,363)

Balance, March 31, 2023	15,021,088	$	150	$ 84,010,494	$ (54,196,428)	29,814,216						
Stock based compensation	—		—	$ 105,166	—	105,166						
Net loss	—		—	—	(1,254,029)	(1,254,029)						
Balance, June 30, 2023	15,021,088	$	150	$ 84,115,660	$ (55,450,457)	$ 28,665,353						
Common stock issued for services	85,000		1	(1)	—	—						
Stock based compensation	—		—	1,105,074	—	1,105,074						
Net loss	—		—	—	(5,988,423)	(5,988,423)						
Balance, September 30, 2023	15,106,088	$	151	$ 85,220,733	$ (61,438,880)	$ 23,782,004						
Balance, March 31, 2024							15,520,637	$	155	$ 87,649,804	$ (69,144,862)	18,505,097

	Common Stock		Additional Paid-In	Accumulated	Stockholders' Equity
	Shares	Amount	Capital	Deficit	(Deficit)
Balance, December 31, 2021	14,912,178	$ 149	$ 81,866,075	$ (8,124,360)	$ 73,741,864
Common stock issued for cash	50,000	1	119,999	—	120,000
Common stock issued for lawsuit settlement	38,495	—	197,431	—	197,431
Stock based compensation	—	—	1,614,845	—	1,614,845
Net loss	—	—	—	(2,936,862)	(2,936,862)
Balance, March 31, 2022	15,000,673	$ 150	$ 83,798,350	$ (11,061,222)	$ 72,737,278
Net loss	—	—	—	(1,176,582)	(1,176,582)
Balance, June 30, 2022	15,000,673	$ 150	$ 83,798,350	$ (12,237,804)	$ 71,560,696
Common stock issued for lawsuit settlement	20,415	—	125,000	—	125,000
Net loss	—	—	—	(1,323,768)	(1,323,768)
Balance, September 30, 2022	15,021,088	$ 150	$ 83,923,350	$ (13,561,572)	$ 70,361,928

	Common Stock		Additional Paid-In	Accumulated	Stockholders' Equity
	Shares	Amount	Capital	Deficit	(Deficit)
Balance, December 31, 2022	15,021,088	$ 150	$ 83,923,350	$ (51,928,520)	$ 31,994,980
Stock based compensation	—	—	87,144	—	87,144
Net loss	—	—	—	(2,267,908)	(2,267,908)
Balance, March 31, 2023	15,021,088	$ 150	$ 84,010,494	$ (54,196,428)	$ 29,814,216

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ENVIROTECH VEHICLES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

	Nine Months Ended September 30,		Three Months Ended March 31,	
	2023	2022	2024	2023
Cash flows from operating activities:				
Net loss	$ (9,510,360)	$ (5,437,212)	$ (4,532,363)	$ (2,267,908)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	93,737	56,700	39,212	28,984
Unrealized loss (gain) on marketable securities	9,903	(6,033)		
Unrealized loss on marketable securities			—	7,195
Unrealized loss on financial instruments at fair value			1,569,927	—
Stock based compensation expense	1,297,384	1,614,845	1,818,383	87,144
Goodwill impairment charge	3,392,129	—		
Changes in assets and liabilities:				
Accounts receivable	449,322	(1,956,906)	(333,085)	184,177
Inventory	(1,210,921)	(2,103,834)	(410,126)	(62,095)
Inventory deposits	1,696,180	(351,970)	466,757	(339,939)
Prepaid expenses	3,190	(377,107)	257,086	161,495
Other assets	(112,382)	158,265		
Other current assets			25,439	(33,337)
Other non-current assets			65,010	—
Accounts payable	90,272	(76,919)	171,363	280,297
Accrued liabilities	(238,030)	(194,907)	207,437	(294,676)
Other liabilities	—	403,328	(80,611)	—
Net cash used in operating activities	(4,039,576)	(8,271,750)	(735,571)	(2,248,663)
Cash flows from investing activities:				
Purchase of property and equipment, net	(36,331)	(90,204)	—	(19,481)
Investment in marketable securities	—	(2,291,036)		
Sale of marketable securities	2,342,643	8,323,461	—	1,329,599
Net cash provided by investing activities	2,306,312	5,942,221	—	1,310,118
Cash flows from financing activities:				
Proceeds from issuance of common stock	—	120,000	585,499	—
Proceeds from issuance of convertible note			901,000	—
Principal repayments on debt	(213,161)	(13,766)	(158,290)	(157,329)
Net cash (used in) provided by financing activities	(213,161)	106,234		
Net cash provided (used in) by financing activities			1,328,209	(157,329)
Net change in cash, restricted cash and cash equivalents	(1,946,425)	(2,223,295)	592,638	(1,095,874)
Cash, restricted cash and cash equivalents at the beginning of the period	2,825,467	4,906,525	456,719	2,825,467

Cash, restricted cash and cash equivalents at the end of the period	$ 879,042	$ 2,683,230	$ 1,049,357	$ 1,729,593
Supplemental cash flow disclosures:				
Cash paid for interest expense	$ 5,808	$ 2,272	$ 4,299	$ —
Non-cash common stock issued for services	$ 1	$ —		
Non-cash common stock lawsuit settlement	$ —	$ 322,431		
Capital expenditures unpaid at March 31, 2024			$ 27,977	$ —

See Accompanying Notes to Unaudited Consolidated Financial Statements.

ENVIROTECH VEHICLES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Operations

Envirotech Vehicles, Inc. (“we”, “us”, “our” or the “Company”) is a provider of purpose-built zero-emission electric vehicles focused on reducing the total cost of vehicle ownership and helping fleet operators unlock the benefits of green technology. The Company serves commercial and last-mile fleets, school districts, public and private transportation service companies, and colleges and universities to meet the increasing demand for light to heavy-duty electric vehicles. The Company’s vehicles address the challenges of traditional fuel price cost instability and local, state, and federal regulatory compliance.

On February 22, 2022, the Company announced Osceola, Arkansas, as the site of its state-of-the-art manufacturing facility and new corporate offices. The Company has moved into an approximately 580,000 square foot facility.

On June 28, 2022, we effected a 20-for-1 stock split of our common stock with no change to authorized shares of common stock. All share, restricted stock unit (“RSU”), and per share or per RSU information through this Quarterly Report on Form 10-Q has been retroactively adjusted to reflect the stock split. The shares of common stock retain a par value of $0.00001 per share. Accordingly, an amount equal to the par value of the decreased shares resulting from the reverse stock split was reclassified from “Common Stock” to “Additional paid-in capital.”

2. Summary of Significant Accounting Policies

Basis of Presentation—The consolidated financial statements and related disclosures include the consolidated balance sheet accounts as of September 30,2023 March 31, 2024 and the consolidated results of operations for the three and ninemonths ended September 30,2023 March 31, 2024 of Envirotech Vehicles, Inc. and subsidiaries. These consolidated financial statements are unaudited, pursuant to the rules and regulations of the United States Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with United States ("U.S.") generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. In the Company’s opinion, these unaudited financial statements include all adjustments (consisting only of normal recurring adjustments) necessary for the fair statement of the results for the interim periods. These unaudited financial statements should be read in conjunction with the Envirotech Vehicles, Inc.'s audited financial statements for the years ended December 31, 2022 2023and 2021 2022 included in the Company’s Annual Report on Form 10-K filed with the SEC on September 25, 2023. March 28,2024.The results of operations for the three and ninemonths ended September 30,2023 March 31, 2024 are not necessarily indicative of the results to be expected for the full year.

Principles of Consolidation—The accompanying financial statements reflect the consolidation of the financial statements of EVTDS, its wholly-owned subsidiary Envirotech Drive Systems Incorporated, Envirotech Vehicles, Inc., ADOMANI California, Inc., Adomani (Nantong) Automotive Technology Co. Ltd. (for periods in 2021 only), ADOMANI ZEV Sales, Inc., Zero Emission Truck and Bus Sales of Arizona, Inc., Envirotech Vehicles, Inc. (Philippines) and ZEV Resources, Inc. All significant intercompany accounts and transactions have been eliminated.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments—The carrying values of the Company's financial instruments, including cash, accounts receivable and accounts payable approximate their fair value due to the short-term nature of these financial instruments. Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No.820, "Fair Fair Value Measurement" Measurements ("ASC 820") defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;

Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3: Unobservable inputs that are supported by little or no market data and that require the reporting entity to develop its own assumptions.

The Company does not have any assets or liabilities that are required to be measured and recorded at fair value on a recurring basis. basis other than the convertible note and options liability disclosed in Note 4 - Debt, in which the Company has elected the fair value option.

Revenue Recognition—The Company recognizes revenue from the sales of zero-emission electric vehicles and vehicle maintenance and inspection services. The Company recognizes revenue in accordance with ASC Topic 606, "Revenue Revenue from Contracts with Customers" Customers ("ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. At September 30, 2023 March 31, 2024, the Company did have a concentration of customers; fiveeight customers' balances account for approximately 88 93 percent of the outstanding accounts receivable. One Five customer customers accounted for 100 percent of the reported revenue for the three months ended September March 31, 202430,2023.Seven customers accounted for 67 percent. The Company had accounts receivable, net of the reported revenue for the $1,025,187 and $692,102 on nine March 31, 2024 months ended and September December 31, 2023, 30,2023.respectively.

In applying ASC Topic 606, the Company is required to:

(1) identify any contracts with customers;

(2) determine if multiple performance obligations exist;

(3) determine the transaction price;

(4) allocate the transaction price to the respective obligation; and

(5) recognize the revenue as the obligation is satisfied.

Product revenue includes the sale of electric trucks and cargo vans. These sales represent a single performance obligation and revenue is recognized when the vehicle is delivered and the customer has accepted the vehicle and signed the appropriate documentation acknowledging receipt of the vehicle. At this time, the title of the vehicle is transferred to the customer.

Cash and Cash Equivalents—The Company considers all highly liquid investments purchased with an original or remaining maturity of three months or less to be cash equivalents. The recorded value of our restricted cash and cash equivalents approximates their fair value. The Company had zero and $60,399 restricted cash at September 30, 2023 March 31, 2024 and at December 31, 2022 2023, respectively. The amounts at both dates relate to balances required by our bank to support certain minor activities. See Concentration of Credit Risk below in this Note.

Marketable Securities—The Company invests in short-term, highly liquid, marketable securities, such as U.S. Treasury notes, U.S. Treasury bonds, and other government-backed securities. The Company classifies these marketable securities as held-to-maturity, as the intent is not to liquidate them prior to the respective stated maturity date. At September 30, 2023 March 31, 2024, the aggregate amount of the Company's investments in marketable securities was zero. Investments in marketable securities at December 31, 2022 2023 were $2,336,402.zero.

Accounts Receivable and Allowance for Doubtful Accounts—The Company establishes an allowance for bad debts through a review of several factors, including historical collection experience, current aging status of the customer accounts, and financial condition of its customers. The Company does not generally require collateral for its accounts receivable. The Company had trade accounts receivable of $1,895,587 $1,046,090 as of September 30, 2023 March 31, 2024 and a recorded allowance for doubtful accounts of $271,218, $20,903, resulting in a net trade accounts receivable balance of $1,624,369. $1,025,187. The Company had trade accounts receivable of $2,344,909 $713,031 as of December 31, 2022 2023 and an allowance for doubtful accounts of $271,218, $20,929, resulting in a net trade receivable balance of $2,073,691. $692,102. A significant portion of the Company's sales are made to customers who qualify for state-sponsored grant programs which can cover a significant portion, up to all of a vehicle's purchase price. Grant monies are paid directly to vehicle dealers like the Company after the customer and the dealer meet state requirements related to the transaction; reimbursements to the Company may take two to nine months from the date of request before being received. The Company does not provide an allowance for doubtful accounts related to sales made utilizing state grant funds, as those funds are guaranteed by the state(s) once awarded. The trade accounts receivable balance at September 30, 2023 March 31, 2024 is from credit-worthy customers, many of whom are fully or partially funded through state government sponsored programs.

Inventory and Inventory Valuation Allowance—The Company records inventory at the lower of cost or market, and uses a First In, First Out ("FIFO") accounting valuation methodology and establishes an inventory valuation allowance for vehicles that it does not intend to sell in the future. The Company had finished goods inventory on hand of $6,894,676 as of September 30, 2023$7,253,148 and recorded an inventory valuation allowance of $12,429 related to three vehicles that the Company does not intend to sell in the future, as of September 30, 2023, resulting in a net inventory balance of $6,882,247 $7,240,719 as of September 30, 2023 March 31, 2024. The Company had finished goods inventory on hand and a related inventory valuation of $5,683,755 $6,843,022 and $12,429 allowance as of December 31, 2022, 2023, resulting in a net inventory balance of $5,671,326.$6,830,593.

Inventory Deposits—Certain of our vendors require the Company to pay upfront deposits before they will commence manufacturing our vehicles, and then require progress deposits through the production cycle and before the finished vehicles are shipped. These deposits are classified as inventory deposits in the consolidated balance sheet. Upon completion of production acceptance by the Company, and passage of title to the Company, deposits are reclassified to inventory. The Company had inventory deposits of $3,133,753 $2,833,631 and $4,829,933 $3,300,388 as of September 30, 2023 March 31, 2024 and December 31, 2022 2023, respectively. Deposits paid to one vendor accounted for 98 percent of the deposits outstanding at September 30, 2023 March 31, 2024.

Income Taxes—The Company uses the liability method, where deferred tax assets and liabilities are determined based on the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial and income tax reporting purposes.

Accounting for Uncertainty in Income Taxes—The Company evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. At September 30, 2023 March 31, 2024 and December 31, 2022 2023, respectively, management did not identify any uncertain tax positions.

Net Income (Loss) Per Share—Basic net income (loss) per share is calculated by dividing the Company's net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period.

Diluted net loss per share is calculated by dividing the Company's net loss applicable to common stockholders by the diluted weighted average number of shares of common stock outstanding during the period. The diluted weighted average number of shares of common stock outstanding is the basic weighted number of shares of common stock adjusted for any potentially dilutive debt or equity securities. As of September 30, 2023 March 31, 2024, 1,207,888 5,504,030 shares of the Company's common stock were subject to issuance upon the exercise of stock options then outstanding and 1,389,584 shares of the Company's common stock were subject to issuance upon the exercise of warrants then outstanding.

Concentration of Credit Risk—The Company has credit risks related to cash and cash equivalents on deposit with a federally insured bank, as at times it exceeds the $250,000 maximum amount insured by the Federal Deposit Insurance Corporation ("FDIC"). Additionally, the Company maintains cash and short-term securities invested at Arvest Bank, National Association ("Arvest"). Between FDIC and the Securities Investor Protection Corporation ("SIPC") coverage, funds up to $750,000, which may include cash up to $500,000, are insured. In addition, Arvest provides excess insurance acquired by them from SIPC for unlimited per customer securities up to a $1 billion cap.

Impairment of Long-Lived Assets—Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company evaluates these assets to determine potential impairment by comparing the carrying amount to the undiscounted estimated future cash flows of the related assets. If the estimated undiscounted cash flows are less than the carrying value of the assets, the assets are written down to their fair value. There was no impairment of long-lived assets, or property and equipment, as of September 30, 2023 March 31, 2024 and December 31, 2022 2023, respectively.

Goodwill—Goodwill represents the excess acquisition cost over the fair value of the net tangible and intangible assets acquired. Goodwill is not amortized and is subject to annual impairment testing on or between annual tests if an event or change in circumstance occurs that would more likely than not reduce the fair value of a reporting unit below its carrying value. In testing for goodwill impairment, the Company has the option to first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, it can conclude the assessment. If the Company concludes otherwise, the Company is required to perform a quantitative analysis to determine the amount of impairment, if any.
The Company has determined that it has one reporting unit, and based on both qualitative and quantitative analysis, it is management's assessments at September March 31, 202430,2023,, that $14,682,620 $9,583,836 in goodwill did notexperience impairment. Therefore, the Company recorded a non-cash goodwill impairment charge of $3,392,129 for the three and nine months ended September 30, 2023, resulting in a goodwill balance of $11,290,491 at September 30, 2023. The Company recorded a non-cash goodwill impairment charge of $37,093,047 $5,098,784 for the year ended December 31, 2022 2023resulting in a goodwill balance of $14,682,620 $9,583,836 on that date.

Research and Development—Costs incurred in connection with the development of new products and manufacturing methods are charged to operating expenses as incurred. Research and development costs were $46,734 $70,265 and $175,546 $70,888 during the three months ended March 31, 2024 and nine three months ended September 30, March 31, 2023,. Research and development costs were $25,000 and $112,412 during the three and nine months ended September 30,2022,respectively.

Stock-Based Compensation—The Company accounts for employee stock-based compensation in accordance with the guidance of FASB ASC Topic Compensation ("ASC 718, 718" "Compensation-Stock Compensation"), which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The fair value of the equity instrument is charged directly to compensation expense and credited to additional paid-in capital over the period during which services are rendered. Non-cash stock-based compensation expense of $1,105,074 $1,818,383 and $1,297,384 $87,144 was recorded for the three months ended March 31, 2024 and nine three months ended September March 31, 2023, 30,2023,respectively. Non-cash stock-based compensation expense of $0 and $1,614,845 was recorded for the three and nine months ended September 30,2022, respectively.

Property and Equipment— Property and equipment are stated at cost, less accumulated depreciation and amortization. The Company provides for depreciation using the straight-line method over the estimated useful lives of the assets, which range from three to five years, except leasehold improvements, which are being amortized over the life of the lease term. Property and equipment qualify for capitalization if the purchase price exceeds $2,000. Major repairs and replacements, which extend the useful lives of equipment, are capitalized and depreciated over the estimated useful lives of the property. All other maintenance and repairs are expensed as incurred.

Leases—The Company accounts for leases in accordance with Leases ("ASC 842"). At the inception or modification of a contract, the Company determines whether a lease exists and classifies its leases as required by ASC Topic an operating or finance lease at commencement. Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. See Note 842.10 The guidance requires companies to recognize leased assets andliabilities on the balance sheet and to disclose key information regarding leasing arrangements.- Leases.

As most of the Company's leases do not provide an implicit interest rate, the lease liability is calculated at lease commencement as the present value of unpaid lease payments using the Company's estimated incremental borrowing rate. The incremental borrowing rate represents the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term and is determined using a portfolio approach based on information available at the commencement date of the lease.

The lease asset also reflects any prepaid rent, initial direct costs incurred and lease incentives received. The Company's lease terms may include optional extension periods when it is reasonably certain that those options will be exercised.

Leases with an initial expected term of 12 months or less are not recorded in the Balance Sheet and the related lease expense is recognized on a straight-line basis over the lease term. For certain classes of underlying assets, the Company has elected to not separate fixed lease components from the fixed non-lease components.

Recent Accounting Pronouncements—Management has considered all recent accounting pronouncements issued, but not effective, and does not believe that they will have a significant impact on the Company's financial statements.

3. Property and Equipment, Net

Components of property and equipment, net, consist of the following as of September 30, 2023 March 31, 2024 and December 31, 2022 2023:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
Furniture and fixtures	$ 56,646	$ 56,646	$ 56,646	$ 56,646
Leasehold improvements	136,847	122,711	164,824	136,847
Machinery & equipment	173,049	165,753	172,527	172,527
Vehicles	297,940	252,724	297,940	297,940
Test/Demo vehicles	30,684	15,784	30,685	30,685
Total property and equipment	695,166	613,618	722,622	694,645
Less accumulated depreciation	(338,895)	(245,157)	(413,170)	(373,958)
Net property and equipment	$ 356,271	$ 368,461	$ 309,452	$ 320,687

Depreciation expense was $34,192 $39,212 and $93,737 $28,984 for the three months ended March 31, 2024 and nine three months ended September March 31, 2023, 30,2023,respectively. Depreciation expense was $19,093 and $56,700 for the three and nine months ended September 30,2022, respectively.

4. Debt

On June 15, 2021, the Company entered into an equipment financing agreement with Navitas Credit Corp. in connection with the purchase of certain inventory management software. The $63,576 loan is payable over twenty-four*Notes Payable* months, beginning in July 2021, with monthly payments of $2,649. The balance of this note is zero at September 30,2023.

On July 15, 2022, the Company entered into an equipment financing agreement with Wells Fargo in connection with the purchase of facility grounds equipment. The $25,007 loan is payable over 36 months, beginning in August 2022, with monthly payments of $521. The balance of this note is $19,276 $15,108 of which $6,252 is classified as Notes Payable - current and $13,024 $8,856 is classified as Notes Payable - long term on the Company's consolidated balance sheets on September March 31, 202430,2023.

Effective June 15, 2022, the Company entered into a premium financing agreement with First Insurance Funding to finance certain insurance coverage. The $225,000 loan is payable over nine months, beginning in July 2022, and bears interest at 5.8% with monthly payments of $25,608. The balance of this note is zero on September 30,2023..

Effective August 20, 2023, the Company entered into asecond premium financing agreement with First Insurance Funding to finance other insurance coverages. The $467,074 loan is payable over nine months, beginning in September 2023, and bears interest at 8.2% with monthly payments of $53,675. The balance of this note, including accrued interest, is $470,246 $106,277 on September March 31, 202430,2023..

Effective*Convertible Note*

On August 4, 2022, January 18, 2024, EVT secured the Company entered into a line convertible promissory note agreement ("Note") for $1,000,000 with an unrelated third-party investor ("Investor"). The origination fee of credit from Centennial Bank. Borrowings under this Note was $99,000 and the line maturity date of credit bear interest at 2.75% annually. There this note is no September 30, 2024. The Investor is entitled to convert the Note into common stock at the greater of $1.50 per share or at 90% of the share price on the maturity date for date. The Investor also has a security interest in the line, but Centennial Bank may at any time, in its sole discretion and without cause, demand the Company immediately repay any and all outstanding obligations under the line assets of credit in whole or in part. The line is secured by the cash and cash equivalents maintained by the Company in its Centennial Bank accounts. Borrowings the event of non-payment of the Note. In addition, the Investor received 800,000 options ("Options") to purchase common stock at $1.50 per share. These options expire two years from the date of this note.

The Company has elected to measure the Note and Options at fair value. In estimating the fair value of the Note, a Monte Carlo simulation model is applied. The required inputs include the current stock price, the risk-free rate and volatility of the common stock. The Note's fair value is classified as Level 2 under the line fair value hierarchy as provided by ASC may not 820 exceed cash, cash equivalents, - Fair Value Measurements. In estimating the fair value of the Options, the Black-Scholes Merton Model is used. The required inputs include the current stock price, the exercise price, the term of the Options, the risk-free rate and marketable securities balances up the volatility of the common stock. The Options' fair value is classified a Level 2 under the air value hierarchy as provided by ASC 820 - Fair Value Measurements. The fair valuation of the Note and Options uses inputs other than quoted prices that are observable either directly or indirectly.

The net proceeds of $901,000 are bifurcated between the Note and the Options. The amount allocated to $1,000,000. This line the Options is $431,405 which is the fair value on the date of credit was closed during the Note. The remaining proceeds received are allocated to the Note. Under the fair valuation election, both the Note and Options are remeasured to their respective fair values at the reporting date. Changes in fair values for the Note and Options are recorded as an unrealized gain or loss on convertible note fair value in Other Income/(expense) in the Statements of Operations at March 31, 2024. As a result of this election, the Company recorded an unrealized loss of $557,497 for the third three quarter months ended March 31, 2024 for the Note and an unrealized loss of $1,012,430 for the 2023 three and there was no amount outstanding at months ended March 31, 2024 for the time of closing. Options.

		Amount
2024	$	1,110,95
2025		6,252
2026		4,168
Total Payments	$	1,121,37

5. Stock Warrants

The Company's outstanding warrants as of September 30,2023 March 31, 2024 are summarized as follows, and all were exercisable at that date.

	Number of Shares		Exercise Price	Remaining Contractual Life (years)	Number of Shares		Exercise Price	Remaining Contractual Life (years)
Outstanding warrants expiring January 28, 2025	431,250	$	10.00	1.33	431,250	$	10.00	0.83

Outstanding warrants expiring May 7, 2026	958,334	$ 20.00	2.60	958,334	$ 20.00	2.10
Outstanding warrants on September 30, 2023	1,389,584	$ 17.43	2.93			
Outstanding warrants on March 31, 2024				1,389,584	$ 17.43	1.68

The Warrants issued as part of the Purchase Agreement related to the Financing contain a call provision whereby the Company, after the 13-month anniversary of the issuance date, and if the volume weighted average price of the common stock for such date exceeds four times the exercise price of the warrants for 20 consecutive trading days, may call the Warrants that have not previously been exercised, and the Warrant holders have ten trading days within which to exercise before the Warrants may be cancelled. 12,833 warrants expired during the first nine months of 2023. As of September 30, 2023 March 31, 2024, the outstanding warrants have no intrinsic value.

6. Stock Options and Restricted Shares

The outstanding options at September 30, 2023 March 31, 2024 consisted of the following:

	Number of Shares	Exercise Price	Weighted Average Remaining Contractual Life (years)	Number of Shares	Exercise Price	Weighted Average Remaining Contractual Life (years)
Outstanding at December 31, 2022	608,266	$ 5.30	8.77			
Options granted (expired) during 9 months ended September 30, 2023:						
Options Granted at $2.65 Exercise Price	15,000	$ 2.65				
Options Granted at $2.10 Exercise Price	588,495	$ 2.10				
Options expired at $9.00 Exercise Price	(1,111)	$ 9.00				
Options expired at $3.62 Exercise Price	(2,762)	$ 3.62				
Outstanding at December 31, 2023				1,207,888	$ 3.71	8.53
Options granted (expired) during 3 months ended March 31, 2024:						
Options Granted at $2.11 Exercise Price				1,378,364	$ 2.11	
Options Granted at $2.66 Exercise Price				25,000	$ 2.66	
Options Granted at $2.44 Exercise Price				100,000	$ 2.44	
Options Granted at $1.50 Exercise Price				800,000	$ 1.50	
Options Granted at $2.75 Exercise Price				2,000,000	$ 2.75	
Options forfeited at $2.65 Exercise Price				(7,222)	$ 2.65	

Subtotal, as follows:	1,207,888				5,504,030			
Outstanding Options at $2.00 Exercise Price	250,000	$	2.00	9.05	250,000	$	2.00	7.77
Outstanding Options at $2.40 Exercise Price	90,893	$	2.40	9.05	90,893	$	2.40	7.77
Outstanding Options at $9.00 Exercise Price	256,750	$	9.00	7.96	256,750	$	9.00	6.73
Outstanding Options at $26.20 Exercise Price	6,750	$	26.20	5.30	6,750	$	26.20	4.07
Outstanding options at $2.65 Exercise Price	15,000	$	2.65	9.54	7,778	$	2.65	9.05
Outstanding Options Granted at $2.10 Exercise Price	588,495	$	2.10	9.95	588,495	$	2.10	9.28
Outstanding at September 30, 2023	1,207,888	$	3.71	9.24				
Outstanding Options at $2.11 Exercise Price					1,378,364	$	2.11	9.97
Outstanding Options at $2.66 Exercise Price					25,000	$	2.66	9.87
Outstanding Options at $2.44 Exercise Price					100,000	$	2.44	9.90
Outstanding Options at $1.50 Exercise Price					800,000	$	1.50	2.80
Outstanding Options at $2.75 Exercise Price					2,000,000	$	2.75	2.85
Outstanding at March 31, 2024					5,504,030	$	2.61	5.97

The number of options exercisable on September 30,2023 March 31, 2024 is 1,194,971. 3,476,252.

On January 7, 2022, 18, 2024, in conjunction with the convertible note disclosed in Note 4 - Debt, the Company issued 800,000 options with an exercise price of $1.50 to an investor. See Note 4 - Debt, for additional disclosures related to this issuance.

On February 14, 2024, the Company's Compensation Committee granted Phillip W. Oldridge, the Company's Chief Executive Officer, an employee options to purchase 150,000 25,000 shares of common stock at an exercise price of $2.00 per share and options to purchase 50,000 shares of common stock at an exercise price of $2.40 $2.66 per share. The options vested immediately vests ratably over 36 months and expire on the tenth anniversary of grant. the grant date.

On January 7, 2022, February 23, the Company's Compensation Committee granted Susan M. Emry, Franklin Lim, the Company's Executive Vice President, Chief Financial Officer, options to purchase 100,000 shares of common stock at an exercise price of $2.00 per share and options to purchase 40,893 shares of common stock at an exercise price of $2.40 $2.44 per share. The options vested vest immediately and expire on the tenth anniversary of grant.

On January 31, 2022, the Company's Compensation Committee granted Christian S. Rodich, the Company's Chief Financial Officer, options to purchase 2,763 shares of common stock at an exercise price of $3.62 per share and options to purchase 1,111 shares of common stock at an exercise price of $9.00 per share. The options vest ratably at 1/60th per month over five years and expire on the tenth anniversary of grant. These options were forfeited three months after Mr. Rodich resigned from his employment with the Company.

On March 15, 2022, options to purchase 50,000 shares of common stock were exercised by the former President and CEO of the Company at a price of $2.40 per share, resulting in a payment to the Company of $120,000. Also on March 15, 2022, options to purchase an aggregate of 25,000 shares of common stock with an exercise price of $9.00 per share were forfeited by the former executive, as they were not exercised prior to their expiration on March 15, 2022.

On April 19, 2023 options to purchase 15,000 shares of common stock at an exercise price of $2.65 per share were granted to two employees. These options vest ratably over three years. grant date.

On July 11, 2023, the Company's Compensation Committee granted the Board of Directors and certain executives and consultants options to purchase 588,495 1,378,384 shares of common stock at an exercise price of $2.10 $2.11 per share. The options vested immediately and expire on the tenth anniversary of grant. the grant date.

As of September 30, 2023 March 31, 2024, the outstanding options had no intrinsic value. value of $2,355,988.

Performance Options

On February 28, 2024, the company issued options to purchase 2,000,000 shares of common stock at an exercise price of $2.75 per share, contingent upon achieving certain sales targets. at March 31, 2024, the sales targets were not met and therefore, no compensation expense was recorded. These options expire on February 5, 2027.

Restricted Shares

During the In first November 2023, quarter of 2023,the Company awarded 85,000 65,660 restricted shares to a vendor that will vest over a six-month period in exchange for marketing services to be provided over the same period. As a result, the Company recorded stock compensation expense of $14,713 and $204,850 $50,549 during the three and ninemonths ended September March 31, 202430,2023. These restricted shares were issued as common stock in the third quarter of 2023..

7. Related Party Transactions

The Company has entered into lease agreements with SRI Professional Services, Incorporated ("SRI"), pursuant to which the Company leases equipment used in connection with the operation of its business (the "SRI Equipment Leases"). Phillip W. Oldridge, the Company's Chief Executive Officer and Chairman of the Board, and a member of its board of directors, serves as an executive officer and a member of the board of directors of SRI. The SRI Equipment Leases provide for the leasing of two vehicles that commenced on January 1, 2020 and the combined rent under such leases is $3,880 per month, and a separate SRI Equipment Lease provides for a trailer lease that commenced on December 1, 2019, under which the rent is $3,891 per month. The total monthly payment obligation of the Company under the SRI Equipment Leases is $7,771. As a result of these agreements, the Company recorded rent expense of $23,312 and $69,935 for the three and ninemonths ended September March 30, 31, 2023, 2024. respectively.
The Company has entered into a cancelable month-to-month lease with SRI (the "SRI Office Lease"), pursuant to which EVTDS has leased office and warehouse space in the Porterville, California area for a term that commenced on January 1, 2020. The monthly rent under the SRI Office Lease is $2,730. The Company recorded rent expense of $5,460 and $13,650 for the three and nine months ended September 30,2023, respectively, in connection with this agreement.

The Company has entered into a commercial lease agreement (the "ABCI Office Lease") with Alpha Bravo Charlie, Inc. ("ABCI") that commenced on April 1, 2020, for the lease of office space in Porterville, California. The monthly rent for this facility is approximately $5,000. Phillip W. Oldridge, the Company's Chief Executive Officer and Chairman of the Board, and a member of its board of directors, is a director of ABCI. The Company recorded rent expense of $15,000 and $53,400 for the three and ninemonths ended September March 30, 31, 2023, 2024 respectively, in connection with this agreement.

During The Company incurred $37,500 of costs related to engineering consulting services from 42Motorsports LTD, the firstnine months owner of 2023,which is a sibling of the Company reimbursed Phillip W. Oldridge, the Company's Company's Chief Executive Officer and Chairman of the Board and a member of its board of directors, $81,269 for use of the CEO's personal airplane for certain business-related activities.
During the second three quarter of months ended 2023, the Company purchased a vehicle from Phillip W. Oldridge for $45,216, which remains unpaid as of September 30, 2023. March 31, 2024.

8. Commitments

Other Agreements

On December 31, 2021, the Company entered into employment agreements with Phillip W. Oldridge (the "Oldridge Agreement"), its Chief Executive Officer, and with Susan M. Emry (the "Emry Agreement"), its Executive Vice President. According to the Oldridge Agreement, effective as of March 1, 2021, Mr. Oldridge will receive an annual base salary of $300,000, payable in semi-monthly installments consistent with the Company's payroll practices. Mr. Oldridge will also receive participation in medical insurance, dental insurance, and the Company's other benefit plans. Under the Oldridge Agreement, Mr. Oldridge will also receive an amount equal to five percent of the net income of the Company on an annual basis and will be eligible for a bonus at the sole discretion of the Company's Board of Directors (the "Board"). The Oldridge Agreement also provides for an automobile monthly allowance of $1,500. Mr. Oldridge's employment shall continue until terminated in accordance with the Oldridge Agreement. If Mr. Oldridge is terminated without cause or if he terminates his employment for good reason, Mr. Oldridge will be entitled to receive (i) one-year of base salary, (ii) reimbursement of reimbursable expenses in accordance with the Oldridge Agreement, (iii) any bonus that would have been payable within the twelve months following the date of termination, and (iv) the value of any accrued and unused paid time off as of the date of termination. According to the Emry Agreement, effective on January 1, 2022, Mrs. Emry will receive an annual base salary of $200,000 and will be eligible for a bonus at the sole discretion of the Board. Mrs. Emry will also receive participation in medical insurance, dental insurance, and the Company's other benefit plans. Mrs. Emry's employment shall continue until terminated in accordance with the Emry Agreement. If Mrs. Emry is terminated without cause or if she terminates her employment for good reason, Mrs. Emry will be entitled to receive (i) one-year of base salary, (ii) reimbursement of reimbursable expenses in accordance with the Emry Agreement, and (iii) the value of any accrued and unused paid time off as of the date of termination. There are no future minimum payments under the terms of both agreements as each party has a right to terminate the agreement without any contractual payments other than what has been stated in their respective contracts.

In March 2023, the Company entered into an agreement with Berthaphil Inc. to sublease approximately 3,600 square yards of a warehouse building based in the Clark Freeport Zone in the Philippines. The term of the lease is two years and two months with a turnover date of July 1, 2023 ("turnover date") and a rental commencement of September 1, 2023. However, the warehouse building was not available for use to the Company till the early part of the fourth quarter of 2023. Therefore, the commencement date for purposes of accounting under the guidance of ASC Topic 842 - Leases, is deferred until the fourth quarter of 2023, which is when the Company was given availability to use the warehouse building. There is a grace period of two months for rental payments starting from the turnover date. The monthly rent for the first year is $15,000, escalating to $15,750 for the second year and $16,530 for the remaining term. In addition to the monthly rent, the Company is required to pay an additional 5% of the monthly rent as common area maintenance costs. The sublease may be renewed for an additional period that is mutually agreed upon subject to certain terms and conditions. The Company intends to use the leased space as a production facility as it seeks to expand its business presence in the region and the United States. The See Note 10 - Leases for further disclosures.
On March 18, 2024, the Company entered into a Sale and Purchase Agreement (the "Agreement") with PlugD Commercial Electric Leasing and Rentals Inc. ("PlugD"), a Texas-based commercial electric vehicle leasing company. Under the terms of the Agreement, the Company will account deliver 200 electric high roof vans and trucks to PlugD for this lease as an operating lease under ASC Topic a total of approximately $16.2 million. The sale will take place over the next 842. 13 months.

Future minimum payments under operating leases are as follows:

	Payments due by period				
	Total	Less than one year	1 - 3 years	4 - 5 years	Mor than year
Operating lease obligations	$ 374,913	$ 191,363	$ 183,550	$ —	$
Total	$ 374,913	$ 191,363	$ 183,550	$ —	$

9. Contingencies

Except as set forth below, we know of no material, existing or pending, legal proceedings against our Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial stockholder of more than 5% of our common stock, or any associate of any of the foregoing persons, is an adverse party or has a material interest adverse to our interest.

GreenPower Litigation

On December 17, 2019, GreenPower Motor Company Inc., a public company incorporated under the laws of British Columbia (“GreenPower”), of which Phillip W. Oldridge, the Company’s Chief Executive Officer and Chairman of the Board, and a member of its board of directors, previously served as a senior officer and a member of its board of directors, filed a notice of civil claim, captioned GreenPower Motor Company Inc. v. Phillip Oldridge et al., Action No. S-1914285, in the Supreme Court of British Columbia, against Phillip Oldridge, his trust, EVTDS EVT and certain other companies affiliated therewith. The On February 2, 2020, the Company and the other companies affiliated therewith named in the notice of civil claim alleges that Mr. Oldridge breached filed a response to the civil claim in which they denied certain fiduciary duties owed to GreenPower by working with certain parties in direct competition with and at of the expense of GreenPower. GreenPower alleges that the Company conspired with Mr. Oldridge to build its business, competing products and unfairly compete with GreenPower. GreenPower seeks general damages, special damages and punitive damages, plus interest and costs against EVTDS. allegations. Fact discovery, through document disclosure and examinations for discoveries, in this matter remain ongoing. The Company has denied all claims, believes We believe that the lawsuit is without merit and intends intend to vigorously defend the action.

On or about July 18, 2021, GreenPower and GP Greenpower GreenPower Industries Inc., (collectively “the GreenPower entities”), filed a counterclaim against David Oldridge, Phillip Oldridge, the Company and other companies in Supreme Court of British Columbia Action No. S207532. The counterclaim alleges that David Oldridge, Phillip Oldridge, the Company and other companies committed the tort of abuse of process by causing 42 Design Works Inc., to commence a lawsuit against the GreenPower entities. Additionally, GreenPower entities also advanced claims against David Oldridge, Phillip Oldridge, the Company and other companies for conspiracy. The pleadings in this lawsuit have not closed and we intend the Company intends to vigorously defend the counterclaim.

On February 8, 2022, GreenPower Motor Company, Inc., a Delaware Corporation, corporation, and GreenPower Motor Company Inc., a Canadian corporation, filed a complaint captioned GreenPower Motor Company, Inc. v. Phillip Oldridge, et al., Case No. 5:22-cv-00252 in the United States District Court for the Central District of California. The complaint names the Company and the following affiliated entities, officers, or directors: Phillip Oldridge, Envirotech Electric Vehicles Inc., Envirotech Drive Systems Incorporated US, Envirotech Drive Systems Incorporated Canada, Sue Emry, David Oldridge, S&P Financial and Corporate Services, Inc. The complaint seeks an undisclosed amount of compensatory and punitive damages, injunctive relief to prevent the alleged anti-competitive behavior, restitution for harm, an award of treble damages, and associate fees and costs. The complaint's allegations are centered around the same assertions in the pending Canadian litigation.

On May 10, 2022, the Company, together with other defendants, filed a Motion to Dismiss and/or Stay the lawsuit in the United States District Court for the Central District of California pending the outcome of the Canadian litigation. The Court issued stay of this case pending resolution of parallel litigation in Canada between similar parties. GreenPower and defendants have agreed that the U.S. GreenPower case will not proceed while Canadian litigation is pending. The Company believes that the lawsuit is without merit and intends intend to vigorously defend the action.

Mollik Litigation

On

August 23, 2018, 13a purported class action lawsuit captioned M.D. Ariful Mollik v. ADOMANI, Inc. et al., Case No. RIC 1817493, was filed in the Superior Court of the State of California for the County of Riverside against the Company, certain of its executive officers, Edward R. Monfort, the former Chief Technology Officer and a former director of ADOMANI, Inc., and the two underwriters of the Company's offering of common stock under Regulation A in June 2017. This complaint alleges that documents related to our offering of common stock under Regulation A in June 2017 contained materially false and misleading statements and that all defendants violated Section 12(a)(2) of the Securities Act, and that the Company and the individual defendants violated Section 15 of the Securities Act, in connection therewith. The plaintiff seeks on behalf of himself and all class members: (i) certification of a class under California substantive law and procedure; (ii) compensatory damages and interest in an amount to be proven at trial; (iii) reasonable costs and expenses incurred in this action, including counsel fees and expert fees; (iv) awarding of rescission or recessionary damages; and (v) equitable relief at the discretion of the court. Plaintiff Mollik was replaced by putative class representatives Alan K. Brooks and Electric Drivetrains, LLC. Alan K. Brooks was subsequently dropped as a putative class representative.

On June 19, 2023, counsel for Electric Drivetrains and counsel for the Company participated in a mediation at which Electric Drivetrains and the Company executed a binding term sheet to completely resolve this matter. On July 18, 2023, Electric Drivetrains and all defendants executed a Settlement Agreement for complete resolution of the case and dismissal against all defendants with prejudice. No Company proceeds were paid in the settlement. On September 30, 2023, the Court dismissed this action with prejudice and the matter is completely resolved.

Brooks Litigation

On June 19, 2019, Alan K. Brooks, an ADOMANI investor, filed a complaint, captioned Alan K. Brooks v. ADOMANI, Inc., et al., Case No.1-CV-349153 in the Superior Court of California for the County of Santa Clara, against the Company, certain of the Company's executive officers and directors, two of the underwriters of the Company's offering of common stock under Regulation A in June 2017, and certain of the underwriters' personnel, among others. The complaint alleges that the Company and other defendants breached the terms of an agreement between Mr. Brooks and the Company by refusing to release 1,320,359 shares of ADOMANI, Inc. stock to Mr. Brooks. The parties participated in mediation during which they resolved the matter. On March 7, 2022, the Court issued an Order approving the settlement. The Company paid $540,000 in the settlement, comprised of $170,000 in common stock, $170,000 in cash and $170,000 in carrier cash. This case has now been completely dismissed.

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10. Leases

As of September 30,2023, the Company is a party to nine operating leases. Six of these*Operating leases are office or warehouse leases; the remaining three are equipment leases. The Company accounts for leases as required by ASC Topic 842. The Company has elected to apply the short-term lease exception to all leases of one year or less. In applying the guidance in ASC 842, the Company has determined that all current leases (except for the Philippines lease as described below) as of September 30,2023 should be classified as short-term operating leases.*

The Company has entered into the SRI Equipment Leases. Rent expense under the SRI Equipment Leases was $23,312 and $69,936 active operating lease arrangements for the three months and nine months ended September 30,2023, respectively. Rent expense under the SRI Equipment Leases was $23,312 and $69,936 for the three months and nine months ended September 30,2022, respectively.

The Company has entered into the SRI Office Lease. Rent expense under the SRI Office Lease was $5,460 and $13,650 for the three months and nine months ended September 30, 2023, respectively. Rent expense under the SRI Office Lease was $8,190 and $18,200 for the three months and nine months ended September 30,2022, respectively.

The Company has entered into the ABCI Office Lease. Rent expense under the ABCI Office Leases was $15,000 and $53,400 for the three months and nine months ended September 30,2023, respectively. Rent expense under the ABCI Office Lease was $8,400 and $25,200 for the three months and nine months ended September 30,2022, respectively.

The Company has entered into the Toledo Jet Center Lease for office space in the Ft. Lauderdale, Florida area effective February 15, 2022. The lease has a one-year term with the option to renew after one year. Rent expense for the Toledo Jet Center Lease for the three and nine months ended September 30,2023 was $4,500 and $13,500, respectively. Rent expense for the Toledo Jet Center Lease for the three and nine months ended September 30,2022 was $4,815 and $12,038, respectively.

In February 2017, the Company signed a lease for storage space in Stockton, California to serve as a location to store vehicles and other equipment utilized for marketing and trade-show purposes. The lease is on a month-to-month basis and can be terminated by either party with 30-days' notice. The total amount due monthly is $1,000.

In December 2019, the Company signed a lease for combined office space and warehouse location in Corona, California. facilities. The facility had been used Company is typically required to conduct research and development activity, stage materials, assemble and/or manufacture vehicles, perform pre-delivery inspections, test demo vehicles, and securely store vehicles, equipment, parts and finished goods vehicle inventories prior to November 2020 when ADOMANI, Inc. vacated its former corporate office space in Corona, California, and made such facility the new corporate office location in addition make fixed minimum rent payments relating to its prior use. The lease is for a period right to use the underlying leased assets. Although these leases have terms that are either month-to-month or terms that are one year or less (with renewal options), the Company concluded in the fourth quarter of 36 2023 months, commencing on January 1, 2020, and terminating on December 31, 2022. The base rent for that the term renewal options are reasonably certain to be exercised. As a result of changes in certain circumstances related to some of the lease was $495,720, with $265 due per month for fire sprinkler alarm monitoring and landscape maintenance. The base rent amount due monthly was $13,108 at commencement and would have escalated to $13,906 by its conclusion. However, Company's short-term leases, the Company vacated was required to classify such leases as operating leases in accordance with the premises effective March 31, 2022, and the lease was taken over on April 1, 2022 by its sublease tenant, as discussed below.

On February 4, 2020, the Company signed a sublease agreement with Masters Transportation, Inc. ("Masters") for Masters to occupy a portion provisions of the Corona, California, facility that the Company occupied effective January 1, 2020 (see above). The effective date of the Masters' sublease was February 1, 2020, and it expires when the Company's lease on the Corona, California facility expires on December 31, 2022. Under the sublease, Masters is obligated to pay the Company monthly rent payments in an amount equal to $6,000 at commencement and thereafter escalating to $6,365 by its conclusion. On April 1, 2022, Masters took over the remaining lease obligation for the facility.

As required by ASC 842 in conjunction with the Corona, California lease, - Leases. Therefore, the Company recognized an operating liability lease liabilities with a corresponding Right-Of-Use ("ROU" ("ROU") asset of the same amounts assets based on the present value of the minimum rental payments of such lease. As leases during the fourth quarter of March 31, 2022, 2023.the ROU asset and related liability accounts were written off against each other due to the Company leaving the Corona California office and warehouse effective April 1, 2022 and to Masters taking over the remaining lease obligation for the facility.

In March 2023, the Company entered into an agreement with Berthaphil, Inc. to sublease approximately 3,600 square yards of a warehouse building based in the Clark Freeport Zone in the Philippines. The term of the lease is two years and two months with a turnover date of July 1, 2023 ("turnover date") and a rental commencement of September 1, 2023. However, the warehouse building was not available for use to the Company until till the early part of the fourth quarter of 2023. Therefore, the commencement date for purposes of accounting under the guidance of ASC Topic 842 - Leases, is deferred until the fourth quarter of 2023, which is when the Company was given availability access to use the warehouse building. There is a grace period of two months for rental payments starting from the turnover date. The monthly rent for the first year is $15,000, escalating to $15,750 for the second year and $16,530 for the remaining term. In addition to the monthly rent, the Company is required to pay an additional 5% of the monthly rent as common area maintenance costs. The sublease may be renewed for an additional period that is mutually agreed upon subject to certain terms and conditions. The Company intends to use the leased space as a production facility as it seeks to expand its business presence in the region and the United States. The Company will account accounted for this lease as an operating lease under ASC Topic 842. 842 and recorded an operating lease liability and a corresponding ROU asset for this lease.

The Company's total net rent expense for Company's lease agreements do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach to derive an appropriate incremental borrowing rate. The Company benchmarked itself against other companies of similar credit ratings and comparable credit quality and derived an incremental borrowing rate to discount each of its lease liabilities based on the remaining lease terms.

ROU assets at three March 31, 2024 were $467,320. Short-term and long-term operating lease liabilities were $303,967 and $155,015 at nine March 31, months ended September 30, 2023 2024, was $59,857 and $177,397, respectively, and for the three and nine months ended September 30, 2022 was $52,579 and $180,746, respectively.

Quantitative information regarding the Company's leases is as follows:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Lease expenses				
Operating lease expenses	$ —	$ 56,101	$ 89,268	$ —
Short-term lease expenses	177,397	124,645	25,171	58,264
Total lease cost	$ 177,397	$ 180,746	$ 114,439	$ 58,264
Other information				
Cash paid for the amounts included in the measurement of lease liabilities for operating leases:				
Operating cash flows	$ —	$ 56,890	$ 85,562	$ —
Weighted-average remaining lease term (in years):				
Operating leases	—	0.62	1.45	—
Weighted-average discount rate:				
Operating leases	— %	14 %	14 %	— %

Future minimum payments under operating leases are as follows:

2024	$
2025	
Total payments	$

11. Subsequent Events

The Company evaluates subsequent events that have occurred after the balance sheet date but before the consolidated financial statements are issued. There are two types of subsequent events: (1) recognized, or those that provide additional evidence with respect to conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements, and (2) non-recognized, or those that provide evidence with respect to conditions that did not exist at the date of the balance sheet but arose subsequent to that date. There were no material transactions that occurred subsequently to September 30,2023 that would require the Company to disclose in this filing.

On May 1, 2024, the Company issued 505,051 shares of Common Stock to the Investor upon conversion of the Note (both of which are disclosed in Note 4 - Debt) in the principal amount of $1,000,000 originally issued on January 18, 2024, at a conversion price of $1.98 per share.

On May 3, 2024, the Company issued 170,774 shares of its common stock for proceeds of $363,749 to Dr. Fredric and Savanna So in a private placement. The issue price per share of common stock sold was $2.13. The proceeds will be used to fund the Company's operations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and the results of operations should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q ("Quarterly Report"). This discussion contains forward-looking statements that are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results to differ materially from those expressed or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others, those identified under the "Special Note Regarding Forward-Looking Statements" above, and elsewhere in this Quarterly Report, particularly in Part II, Item 1A "Risk Factors," below.

Overview

We are a provider of purpose-built zero-emission electric vehicles focused on reducing the total cost of vehicle ownership and helping fleet operators unlock the benefits of green technology. We serve commercial and last-mile fleets, school districts, public and private transportation service companies and colleges and universities to meet the increasing demand for light to heavy-duty electric vehicles. Our vehicles address the challenges of traditional fuel price instability and local, state and federal regulatory compliance.

For the three months ended September 30, March 31, 2024 and 2023 and 2022 , we generated sales revenue of $100,024 $810,490 and $1,029,280, $523,199, respectively, and our net loss for the three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023 was $5,988,423 $4,532,363 and $1,323,768, $2,267,908, respectively. For the nine months ended September 30, 2023 and 2022 , we generated sales revenue of $2,756,103 and $2,625,090, respectively, and Included in our net loss for the nine three months ended September 30, 2023 and nine months ended September 30, 2022 was $9,510,360 and $5,437,212, respectively. March 31, 2024 is a non-cash unrealized loss on financial instruments of $1,569,927.

Factors Affecting Our Performance

We believe that the growth and future success of our business depend on various opportunities, challenges and other factors, including the following:

COVID-19 pandemic. Global health concerns related to the ongoing COVID-19 pandemic have resulted in social, economic and labor instability in thecountries in which we or the third parties with whom we engage operate, and resulted in unexpected legal and regulatory changes, such as travel, social distancing and quarantine policies, boycotts, curtailment of trade, and other business restrictions that have negatively impacted our ability to procure and sell our products and provide our services. Accordingly, our future performance will depend in part upon our ability to successfully respond and adapt to these challenges. We have developed, and continue to develop, plans to address the ongoing effects and help mitigate the potential negative impact of the pandemic on our business.

Availability of government subsidies, rebates and economic incentives. We believe that the availability of government subsidies, rebates, and economic incentives is currently a critical factor considered by our customers when purchasing our zero-emission systems or converting their existing vehicles to zero-emission-electric or hybrids, and that our growth depends in large part on the availability and amounts of these subsidies and economic incentives. As an alternative to being dependent on such funding, however, we are exploring the possibility of leasing our vehicles to our customers as well.

New customers. We are competing with other companies and technologies to help fleet managers and their districts/companies more efficiently and cost-effectively manage their fleet operations. Once these fleet managers have decided they want to buy from us, we still face challenges helping them obtain financing options to reduce the cost barriers to purchasing. We may also encounter customers with inadequate electrical services at their facilities that may delay their ability to purchase from us.

Dependence on external sources of financing of our operations. We have historically depended on external sources of capital to finance our operations. Accordingly, our future performance will depend in part upon our ability to achieve independence from external sources for the financing of our operations.

Investment in growth. We plan to continue to invest for long-term growth. We anticipate that our operating expenses will increase in the foreseeable future as we invest in research and development to enhance our zero-emission electric vehicles and systems; design, develop and manufacture our commercial fleet vehicles and their components; increase our sales and marketing to acquire new customers; and increase our general and administrative functions to support our growing operations. We believe that these investments will contribute to our long-term growth, although they will adversely affect our results of operations in the near term. In addition, the timing of these investments can result in fluctuations in our annual and quarterly operating results.

Zero-emission electric vehicle experience. Our dealer and service network is not currently completely established, although we do have certain agreements in place. One issue they may have, and we may encounter, is finding appropriately trained technicians with zero-emission electric fleet vehicle experience. Our performance will depend on having a robust dealer and service network, which will require appropriately trained technicians to be successful. Because vehicles that utilize our technology are based on a different technology platform than traditional internal combustion engines, individuals with sufficient training in zero-emission electric vehicles may not be available to hire, and we may need to expend significant time and expense training the employees we do hire. If we are not able to attract, assimilate, train or retain additional highly qualified personnel in the future, or do so cost-effectively, our performance would be significantly and adversely affected.

Market growth. We believe the market for all-electric solutions for alternative fuel technology, specifically all-electric vehicles, will continue to grow as more purchases of new zero-emission vehicles and as more conversions of existing fleet vehicles to zero-emission vehicles are made. However, unless the costs to produce such vehicles decrease dramatically, purchasers of our products will continue to depend in large part on financing subsidies from government agencies. We cannot be assured of the continued availability, the amounts of such assistance to our customers, or our ability to access such funds.

Sales revenue growth from additional products. We seek to add to our product offerings additional zero-emission vehicles of all sizes to be marketed, sold, warrantied and serviced through our developing distribution and service network, as well as add other ancillary products discussed elsewhere in this report.

Third-party contractors, suppliers and manufacturers. We rely upon third parties to supply us with raw materials, parts, components and services in adequate quantity in a timely manner and at reasonable prices, quality levels, and volumes acceptable to us.

Components of Results of Operations

Sales

Sales are recognized from the sales of new, purpose-built zero-emission electric vehicles and from providing vehicle maintenance and safety inspection services. Sales are recognized in accordance with Accounting Standards Codification ("ASC") Topic 606, as discussed in Note 2 to our unaudited consolidated financial statements included in this Quarterly Report.

Cost of Sales

Cost of sales includes those costs related to the development, manufacture, and distribution of our products. Specifically, we include in cost of sales each of the following: material costs (including commodity costs); freight costs; labor and other costs related to the development and manufacture of our products; and other associated costs. Cost of sales also includes costs related to the valuation of inventory due to impairment, obsolescence, or shrinkage.

General and Administrative Expenses

Selling, general and administrative expenses include all corporate and administrative functions that support our company, including personnel-related expense and stock-based compensation costs; costs related to investor relations activities; including product recall and customer satisfaction program costs; consulting costs; marketing-related expenses; and other expenses that cannot be included in cost of sales.

Consulting and Research and Development Costs

These expenses are related to our consulting and research and development activity.

Other Income/Expenses, Net

Other income/expenses include non-operating income and expenses, including interest income and expense.

Provision for Income Taxes

We account for income taxes in accordance with Financial Accounting Standards Board ("FASB") Income Taxes ("ASC 740 "Income Taxes," 740") which requires the recognition of deferred income tax assets and liabilities for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under FASB ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that we will not realize tax assets through future operations. Because we have incurred only losses to this point, no provision for income taxes has been made in 2023. 2024.

Results of Operations

The following discussion compares operating data for the three and nine months ended September 30, 2023March 31, 2024 to the corresponding periodsperiod ended September 30, 2022March 31, 2023:

Sales

Sales for the three months ended September 30, 2023March 31, 2024 and 20222023 were $100,024$810,490 and $1,029,280,$523,199, respectively. Sales for both the three months ended September 30, 2023 and September 30, 2022March 31, 2024 consisted primarily of six logistics cargo vans. The decrease in sales was primarily due to delays in certain administrative processes due to state policy changes beyond our control.
vans, two trucks, one forklift and other accessories. Sales for the ninethree months ended September 30, 2023 and 2022 were $2,756,103 and $2,625,090, respectively. The slight increase in sales was primarily due to an increase in the numberMarch 31, 2023 consisted of unitssix logistic cargo vans sold as a result of favorable market conditions. A significant number of these sales were primarily to customers in New Jersey who utilized a voucher from the NJ ZIP program. The increase in sales was primarily due to additional units sold in 2024 versus the same period in 2023.

Cost of Sales

Cost of sales for the three months ended September 30, 2023March 31, 2024 and 20222023 were $80,283$502,271 and $677,855, respectively. Cost of sales for the nine months ended September 30, 2023 and 2022 were $1,739,005 and $1,599,290,$404,836, respectively. These costs consisted of the costs related to the sale of the vehicles sold as described above.

General and Administrative ("G&A") Expenses

G&A expenses were $2,578,727$3,194,251 and $1,584,973$2,165,532 for the three months ended September 30, 2023March 31, 2024 and 2022,2023, respectively. G&A expenses increased by $993,754$1,028,719 primarily due to an increase of $1,105,074$1,731,239 in stock-compensationstock compensation expense due to equity awarded during the thirdfirst quarter of 20232024 that vested immediately, an increase of $59,760 in payroll costs in anticipation of business growth, an increase of $92,384 in accounting and compliance costs as a public company and an increase of $6,821 in overall G&A expenses for costs incurred with running the business, partially offset by, a decrease of $143,813 in advertising and marketing costs as we focus on certain marketing priorities, a decrease in travel expenses of $41,145 as we reduced expenses as a cost saving initiative during the third quarter of 2023, a decrease in legal fees of $47,569 due toamong other things, lower litigation costs and a decrease of $37,758 in investor relations expenses as a result$129,859, lower marketing costs of our cost cutting measures noted above.
G&A expenses were $6,785,405 and $6,113,957 for the nine months ended September 30, 2023 and 2022, respectively. G&A expenses increased by $674,448 primarily due toan increase in$164,778, lower travel costs of $169,626, lower contract labor costs of $240,833 to assist in our operations, an increase in payroll costs of $158,330 in anticipation of business growth, an increase in travel$159,890 and lower overall other expenses of $200,151 as we explore business markets globally, an increase$78,367, all of $117,962 in investor relations expenses as we explore incentives by the federal and state governments across the United States, an increase of $126,470 in accounting and compliance costs as a public company, and an overall increase of $371,564 in G&A expenses for costs incurred with running the operations, partially offset by a decrease of $174,459 in legal costswhich were due to lower litigation costs, a decrease in advertising and marketing expenses of $48,942 as we focus on certain marketing priorities and a decrease of $317,461 relatedour cost savings initiative implemented to stock-based compensation costs due to lower fair valuations of equity awards.conserve spending.

Consulting Expenses

Consulting expenses were ($13,312)zero and $94,187$174,809 for the three months ended September 30, 2023March 31, 2024 and 2022,2023, respectively. The decrease in consulting expenses was due to a reduction in public affairs activities (which also included a credit for certain expenses) in 2023 versus 2022. Consulting expenses were $207,930 and $264,505 for the nine months ended September 30, 2023 and 2022, respectively. The decrease in consulting expenses was primarily due to a decrease in costs related to public affairs consulting, partially offset by increased search costs for key employees.

Research and Development ("R&D") Expenses

R&D expenses were $46,734 $70,265 and $25,000 $70,888 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. The increase was primarily due to an increase in R&D activities related to 2023, respectively as the development level of new product lines during the three months ended September 30, 2023 compared to the same period in 2022. R&D expenses were $175,546 and $112,412 for the nine months ended September 30, 2023 and 2022, respectively. The increase in R&D expenses was primarily due to activities pertaining to the development of new product lines. activity remained significantly unchanged.

Goodwill Impairment Charge Unrealized loss on financial instruments at fair value

Due We recorded a non-cash unrealized loss of $1,569,927 on our financial instruments that we elected to our declining stock price, we conducted an impairment test related to our goodwill. As a result of this test, we recorded an impairment charge of $3,392,129 related to our goodwill for the three and nine months ended September 30, 2023. No impairment charges were recorded for the three and nine months ended September 30, 2022. measure at fair value.

Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities for the nine three months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Nine months ended September 30,		Three months ended March 31,	
	2023	2022	2024	2023
Cash flows used in operating activities	$ (4,039,576)	$ (8,271,750)	$ (735,571)	$ (2,248,663)
Cash flows provided by investing activities	2,306,312	5,942,221	—	1,310,118
Cash flows (used in) provided by financing activities	(213,161)	106,234	1,328,209	(157,329)
Net change in cash, restricted cash and cash equivalents	$ (1,946,425)	$ (2,223,295)	$ 592,638	$ (1,095,874)

Operating Activities

Net cash used in operating activities for the nine three months ended September 30, 2023 March 31, 2024 was $4,039,576, $735,571, primarily due to a net loss of $9,510,360, $4,532,363, partially offset by changes in operating assets and liabilities, net of $677,631 $369,270 and non-cash operating charges of $4,793,153, $3,427,522, of which $3,392,192 $1,569,927 was related to a non-cash goodwill impairment charge and $1,297,384 unrealized loss on financial instruments measured at fair values, $1,818,383 was related to non-cash stock-based compensation expense. expense and the remaining $39,212 was related to depreciation and amortization. The changes in operating assets and liabilities, net was due to a decrease in accounts receivable of $449,322 as cash collections outpaced sales, a decrease of $1,696,180 $466,757 in inventory deposits, a decrease in prepaid expenses of $3,190, $257,086, a decrease in other current assets of $25,439, a decrease in other non-current assets of $65,010, an increase in accounts payable of $90,272, $171,363 and an increase in accrued liabilities of $207,437, partially offset by an increase in inventory of $1,210,921, $410,126, an increase in accounts receivable of $333,085 as sales outpaced cash collections and a decrease of $80,611 in other assets of $112,382 and decrease in accrued liabilities of $238,030. liabilities.

Net cash used in operating activities for the nine three months ended September 30, 2022 March 31, 2023 was $8,271,750, $2,248,663, primarily due to a net loss of $5,437,212 $2,267,908 and changes in operating assets and liabilities, net of $4,500,050, $104,078, partially offset reduced by non-cash operating charges of $1,665,512, of which $1,614,845 was related to stock-based compensation expense. $123,323. The changes in operating assets and liabilities, net was due to an increase in inventory deposits of $339,939, accrued liabilities of $294,676, inventory of $2,103,834, an increase $62,095 and other current assets of $33,337, partially offset by changes in accounts receivable of $1,956,906, a decrease in accrued liabilities $184,177, prepaid expenses of $194,907 $161,495 and in increase in inventory deposits of $351,970, a decrease in accounts payable of $76,919 and an increase in prepaid expenses of $377,107, partially offset by a decrease in other assets of $158,265, a decrease in prepaid expenses of $60,246 and an increase in other liabilities of $403,328. $280,297.

We expect cash used in operating activities to fluctuate significantly in future periods as a result of a number of factors, some of which are outside of our control, including, among others: the success we achieve in generating revenue; the success we have in helping our customers obtain financing and government incentives to subsidize their purchases of our products; our ability to efficiently develop our dealer and service network; the costs of batteries and other materials utilized to make our products; the extent to which we need to invest additional funds in research and development; and the amount of expenses we incur to satisfy future warranty claims.

Investing Activities

Net cash provided by investing activities during the nine three months ended September 30, 2023 March 31, 2024 was $2,306,312, zero due to our initiative to conserve cash spend.

Net cash provided by investing activities during the three months ended March 31, 2023 was $1,310,118, primarily due to the sale of our marketable securities of $2,342,643, $1,329,599, partially offset by $36,331 $19,481 of capital expenditures. Net cash provided by investing activities during the nine three months ended September 30, 2022 March 31, 2022 was $5,942,221, $2,987,561, primarily due to the net sale of our marketable securities of $6,032,425, $3,000,063, partially offset by $90,204 $12,502 of capital expenditures.

Financing Activities

Net cash provided by financing activities during the three months ended March 31, 2024 was $1,328,209, primarily from the issuance of a convertible note that resulted in proceeds of $901,000, proceeds of sale of our common stock to certain investors totaling $585,499, partially offset by debt repayment in the amount of $158,290.

Net cash used in financing activities during for the nine three months ended September 30, 2023 March 31, 2023 was $213,161 $157,329 as a result of repayment of certain notes payable. Net cash provided by financing activities during for the nine three months ended September 30, 2022 March 31, 2022 was $106,234, $112,053, primarily from the issuance of common stock of $120,000, partially offset by payments on notes payable of $13,766. $7,947.

Liquidity and Capital Resources

As of September 30, 2023 March 31, 2024, we had cash and cash equivalents of $879,042 $1,049,357 and working capital of approximately $12.0 million. $8.1 million. We believe that our existing cash and cash equivalents will be sufficient to fund our operations during the next twelve months and beyond. However, we may not successfully execute our business plan, and if we do not, we may need additional capital to continue our operations and support the increased working capital requirements associated with the fulfillment of purchase orders.

On February 2022, we announced Osceola, Arkansas as the site of our state-of-the-art manufacturing facility and new corporate offices. We moved into an approximately 580,000 square foot facility and are currently in final stages of due diligence and contract negotiation with the City of Osceola and the Arkansas Economic Development Commission. However, additional debt and/or equity capital will be required in order to purchase related equipment and set up production lines and is expected to require up to $80 million of additional investment through 2027. Investments and employee hiring requirements over the next 10 years will provide an opportunity for us to obtain local tax incentives of up to $27 million, provided that the qualifying expenditures are made. We are not currently contractually obligated to make the expenditures.

Line of Credit

Effective August 4, 2022, we secured a line of credit from Centennial Bank. Borrowings under the line of credit bear interest at 2.75% annually. There is no maturity date for the line, but Centennial Bank may at any time, in its sole discretion and without cause, demand us to immediately repay any and all outstanding obligations under the line of credit in whole or in part. The line is secured by the cash and cash equivalents maintained by us in our Centennial Bank accounts. Borrowings under the line may not exceed cash, cash equivalents, and marketable securities balances up to $1,000,000. This line was closed during the third quarter of 2023 and there was no principal amount outstanding at the time of closing.

Capital Expenditures

We do not have any contractual obligations for ongoing capital expenditures at this time. We do, however, purchase equipment necessary to conduct our operations on an as needed basis and will begin increasing those expenditures as we transfer assembly and corporate functions to the Osceola Arkansas facility.

Contractual Obligations

Other than as disclosed in the unaudited consolidated financial statements in Item 1 of this Quarterly Report on Form 10-Q for the period ended September 30, 2023 March 31, 2024, we have no contractual obligations.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

We define our critical accounting policies as those accounting principles generally accepted in the United States of America that require us to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on our financial condition and results of operations as well as the specific manner in which we apply those principles.

Smaller Reporting Company Status

We are a “smaller reporting company” as defined in Rule 12b-2 under the Exchange Act. We may continue to be a smaller reporting company if either (i) the market value of our shares held by non-affiliates is less than $250 million or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than $700 million as of the last business day of our most recently completed second fiscal quarter. We may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not smaller reporting companies, including reduced disclosure about our executive compensation arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business. We do not currently face material market risks such as interest rate fluctuation risk and foreign currency exchange risk. Our cash and cash equivalents include cash in readily available checking and money market accounts. These investments are not dependent on interest rate fluctuations that may cause the principal amount of these investments to fluctuate, and we do not expect such fluctuation will have a material impact on our financial conditions. If we issue additional debt in the future, we will be subject to interest rate risk. The majority of our expenses are denominated in the U.S. dollar.

We may face risks associated with the costs of raw materials, primarily batteries, as we go into production. To the extent these and other risks materialize, they could have a material effect on our operating results or financial condition. We currently anticipate that our international selling, marketing and administrative costs related to foreign sales, if any, will be largely denominated in United States dollars, which may create foreign currency exchange risk exposure.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of September 30, 2023 March 31, 2024. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures (a) were not effective to ensure that information that we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (b) include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports filed or submitted under the Exchange Act 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.

Changes in Internal Control over Financial Reporting

Due to the staff reductions and voluntary resignations, we experienced beginning in the fourth quarter of 2020 and continuing through the date of this filing, we have been unable to maintain the levels of segregation of duties during such periods at the levels of prior periods, and such changes to our disclosure controls and procedures have significantly affected our internal control over financial reporting during the period ended September 30, 2023 March 31, 2024. We have yet to fully resolve such deficiencies as of the date of this filing. We have engaged, and continue to seek additional, experienced accounting professionals with relevant expertise to provide additional accounting services intended to supplement our efforts and mitigate the negative effects of such recent changes to our disclosure controls and procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. Similarly, an evaluation of controls cannot provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There were no material developments during the quarter ended September 30, 2023 March 31, 2024 in the legal proceedings described in our Annual Report on Form 10-K for the year ended December 31, 2022, except as follows:

On August 23, 2018, a purported class action lawsuit captioned M.D. Ariful Mollik v. ADOMANI, Inc. et al., Case No. RIC 1817493, was filed in the Superior Court of the State of California for the County of Riverside against the Company, certain of its executive officers, Edward R. Monfort, the former Chief Technology Officer and a former director of ADOMANI, Inc., and the two underwriters of the Company's offering of common stock under Regulation A in June 2017. This complaint alleges that documents related to our offering of common stock under Regulation A in June 2017 contained materially false and misleading statements and that all defendants violated Section 12(a)(2) of the Securities Act, and that the Company and the individual defendants violated Section 15 of the Securities Act, in connection therewith. The plaintiff seeks on behalf of himself and all class members: (i) certification of a class under California substantive law and procedure; (ii) compensatory damages and interest in an amount to be proven at trial; (iii) reasonable costs and expenses incurred in this action, including counsel fees and expert fees; (iv) awarding of rescission or recessionary damages; and (v) equitable relief at the discretion of the court. Plaintiff Mollik was replaced by putative class representatives Alan K. Brooks and Electric Drivetrains, LLC. Alan K. Brooks was subsequently dropped as a putative class representative.

On June 19, 2023, counsel for Electric Drivetrains and counsel for the Company participated in a mediation at which Electric Drivetrains and the Company executed a binding term sheet to completely resolve this matter. On July 18, 2023, Electric Drivetrains and all defendants executed a Settlement Agreement for complete resolution of the case and dismissal against all defendants with prejudice. No Company proceeds were paid in the settlement. On September 30, 2023, the Court dismissed this action with prejudice and the matter is completely resolved. December 31, 2023

ITEM 1A. RISK FACTORS

There were no material changes during the quarter ended September 30, 2023 March 31, 2024 from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

A list of exhibits is set forth at the end of this Quarterly Report on Form 10-Q for the information required by this item.

			Incorporated by Reference			
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith
31.1	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer					X
31.2	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer					X
32.1#	18 U.S.C. Section 1350 Certification of Chief Executive Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2#	18 U.S.C. Section 1350 Certification of Chief Financial Officer, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document*					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document*					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*					X
101.DEF	Inline XBRL Taxonomy Extension Definitions Linkbase Document*					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).					

\# The information in Exhibits 32.1 and 32.2 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act (including this Quarterly Report), unless the Registrant specifically incorporates the foregoing information into those documents by reference.

* In accordance with Rule 402 of Regulation S-T, this interactive data file is deemed not filed or part of this Quarterly Report for purposes of Sections 11 or 12 of the Securities Act or Section 18 of the Exchange Act and otherwise is not subject to liability under these sections.

SIGNATURES

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

Envirotech Vehicles, Inc.

Date: November 14, 2023 May 15, 2024

By: /s/ Phillip W. Oldridge

Phillip W. Oldridge

Chief Executive Officer

(Principal Executive Officer)

Date: November 14, 2023

May 15, 2024

By: /s/ Douglas M. Campoli Franklin Lim

Douglas M. Campoli Franklin Lim

Chief Financial Officer and Treasurer

(Principal Financial and Accounting Officer)

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Exhibit 31.1

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934

I, Phillip W. Oldridge, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Envirotech Vehicles, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2023 May 15, 2024

By: /s/ Phillip W. Oldridge
Phillip W. Oldridge
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act Of 1934

I, Douglas M. Campoli, Franklin Lim, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Envirotech Vehicles, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2023 May 15, 2024

By: /s/ Douglas M. Campoli Franklin Lim
Douglas M. Campoli Franklin Lim
Chief Financial Officer and Treasurer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Envirotech Vehicles, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Phillip W. Oldridge, Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2023 May 15, 2024

By: /s/ Phillip W. Oldridge
Name Phillip W. Oldridge
Title: Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This certification will not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Envirotech Vehicles, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas M. Campoli, Chief Financial Officer and Treasurer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

(i) the Report fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2023 May 15, 2024

By: /s/ Douglas M. Campoli Franklin Lim

Douglas M. Campoli Franklin Lim
Chief Financial Officer and Treasurer
(Principal Financial Officer)

A signed original of this written statement required by 18 U.S.C. Section 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. This certification will not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates it by reference.

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