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

FORM 10-Q

(MARK ONE)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **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: 001-40296

NUVVE HOLDING CORP.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	86-1617000
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2488 Historic Decatur Road, Suite 200	**San Diego,**	**California**	**92106**
(Address of principal executive offices)			(Zip Code)

(619) 456-5161
(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 Symbols	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	NVVE	The Nasdaq Stock Market
Warrants to Purchase Common Stock	NVVEW	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

☒ Yes ☐ No

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

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

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

As of May 6, 2024, 6,220,621 shares of the issuer's common stock, par value $0.0001 per share, were issued and outstanding.

NUVVE HOLDING CORP.

FORM 10-Q FOR THE QUARTER ENDED March 31, 2024

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q and other documents incorporated herein by reference contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about us, our future performance, our financial condition, our products, our business strategy, our beliefs and our management's assumptions. In addition, we, or others on our behalf, may make forward-looking statements in press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. These forward-looking statements can be identified by the use of words like "anticipates," "estimates," "projects," "expects," "plans," "believes," "intends," "will," "could," "may," "assumes" and other words of similar meaning. These statements are based on management's beliefs, assumptions, estimates and observations of future events based on information available to our management at the time the statements are made and include any statements that do not relate to any historical or current fact. These statements are not guarantees of future performance and they involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed, implied or forecast by our forward-looking statements due in part to the risks, uncertainties and assumptions described in Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as well as those discussed elsewhere in this report and other factors described from time to time in our filings with the SEC.

Factors that could cause actual results to differ materially from those in forward-looking statements include, (i) risks related to the rollout of Nuvve's business and the timing of expected business milestones; (ii) Nuvve's dependence on widespread acceptance and adoption of electric vehicles and increased installation of charging stations; (iii) Nuvve's ability to maintain effective internal controls over financial reporting, including the remediation of identified material weaknesses in internal control over financial reporting relating to segregation of duties with respect to, and access controls to, its financial record keeping system, and Nuvve's accounting staffing levels; (iv) Nuvve's current dependence on sales of charging stations for most of its revenues; (v) overall demand for electric vehicle charging and the potential for reduced demand if governmental rebates, tax credits and other financial incentives are reduced, modified or eliminated or governmental mandates to increase the use of electric vehicles or decrease the use of vehicles powered by fossil fuels, either directly or indirectly through mandated limits on carbon emissions, are reduced, modified or eliminated; (vi) potential adverse effects on Nuvve's backlog, revenue and gross margins if customers increasingly claim clean energy credits and, as a result, they are no longer available to be claimed by Nuvve; (vii) the effects of competition on Nuvve's future business; (viii) risks related to Nuvve's dependence on its intellectual property and the risk that Nuvve's technology could have undetected defects or errors; (ix) the risk that we conduct a portion of our operations through a joint venture exposes us to risks and uncertainties, many of which are outside of our control; (x) that our joint venture with Levo Mobility LLC may fail to generate the expected financial results, and the return may be insufficient to justify our investment of effort and/or funds; (xi) changes in applicable laws or regulations; (xii) the COVID-19 pandemic and its effect directly on Nuvve and the economy generally; (xiii) risks related to disruption of management time from ongoing business operations due to our joint ventures; (xiv) risks relating to privacy and data protection laws, privacy or data breaches, or the loss of data; (xv) the possibility that Nuvve may be adversely affected by other economic, business, and/or competitive factors; and (xvi) risks related to the benefits expected from the $1.2 trillion dollar infrastructure bill passed by the U.S. House of Representatives (H.R. 3684), as well as other risks described in this Quarterly Report on Form 10-Q and other factors described from time to time in our filings with the SEC.

Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in this Quarterly Report on Form 10-Q and any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise, except as required under federal securities laws and the rules and regulations of the SEC.

PART I—FINANCIAL INFORMATION

Item 1. Interim Financial Statements.

NUVVE HOLDING CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash	$ 5,283,031	$ 1,534,660
Restricted cash	480,000	480,000
Accounts receivable, net	1,281,024	1,724,899
Inventories	6,082,633	5,889,453
Prepaid expenses	826,601	994,719
Deferred costs	1,455,821	1,667,602
Other current assets	686,010	751,412
Total current assets	16,095,120	13,042,745
Property and equipment, net	750,347	766,264
Intangible assets, net	1,167,343	1,202,203
Investment in equity securities	670,951	670,951
Investment in leases	109,606	112,255
Right-of-use operating lease assets	4,717,550	4,839,526
Financing receivables	—	288,872
Security deposit, long-term	25,832	27,690
Total assets	$ 23,536,749	$ 20,950,506
Liabilities, Mezzanine Equity and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 1,478,830	$ 1,694,325
Accrued expenses	5,264,444	4,632,101
Deferred revenue	1,079,530	1,030,056
Operating lease liabilities - current	851,813	856,250
Other liabilities	105,573	105,141
Total current liabilities	8,780,190	8,317,873
Operating lease liabilities - noncurrent	4,530,861	4,646,383
Warrants liability	3,069,277	4,621
Derivative liability - non-controlling redeemable preferred shares	321,261	309,728
Other long-term liabilities	754,819	681,438
Total liabilities	17,456,408	13,960,043
Commitments and Contingencies		
Mezzanine equity		
Redeemable non-controlling interests, preferred shares, zero par value, 1,000,000 shares authorized, 3,138 shares issued and outstanding at March 31, 2024 and December 31, 2023; aggregate liquidation preference of $3,825,205 and $3,750,201 at March 31, 2024 and December 31, 2023, respectively	4,355,095	4,193,629
Class D Incentive units, zero par value, 1,000,000 units authorized; 50,000 units issued and outstanding at March 31, 2024 and December 31, 2023, respectively	247,455	216,229
Stockholders' equity		
Preferred stock, $0.0001 par value, 1,000,000 shares authorized; zero shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	—	—
Common stock, $0.0001 par value, 100,000,000 shares authorized; 6,070,642 and 1,246,589 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	6,357	5,927
Additional paid-in capital	161,491,576	155,615,962
Accumulated other comprehensive income	80,025	93,676
Accumulated deficit	(154,955,297)	(148,240,859)
Nuvve Holding Corp. Stockholders' Equity	6,622,661	7,474,706
Non-controlling interests	(5,144,870)	(4,894,101)
Total stockholders' equity	1,477,791	2,580,605
Total Liabilities, Mezzanine Equity and Stockholders' Equity	$ 23,536,749	$ 20,950,506

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

NUVVE HOLDING CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue		
Products	$ 476,469	$ 1,428,886
Services	219,871	351,499
Grants	83,416	74,401
Total revenue	779,756	1,854,786
Operating expenses		
Cost of products	336,672	1,368,573
Cost of services	172,772	92,331
Selling, general, and administrative	5,928,110	6,172,024
Research and development	1,589,577	2,100,088
Total operating expenses	8,027,131	9,733,016
Operating loss	(7,247,375)	(7,878,230)
Other income (expense)		
Interest income, net	9,012	68,337
Change in fair value of warrants liability	727,662	(213,758)
Change in fair value of derivative liability	(11,533)	(76,840)
Other, net	(206,503)	440,386
Total other income, net	518,638	218,125
Loss before taxes	(6,728,737)	(7,660,105)
Income tax expense	—	—
Net loss	$ (6,728,737)	$ (7,660,105)
Less: Net (loss) income attributable to non-controlling interests	(14,299)	6,288
Net loss attributable to Nuvve Holding Corp.	$ (6,714,438)	$ (7,666,393)
Less: Preferred dividends on redeemable non-controlling interests	75,004	69,292
Less: Accretion on redeemable non-controlling interests preferred shares	161,466	161,466
Net loss attributable to Nuvve Holding Corp. common stockholders	$ (6,950,908)	$ (7,897,151)
Net loss per share attributable to Nuvve Holding Corp. common stockholders, basic and diluted	$ (1.69)	$ (12.84)
Weighted-average shares used in computing net loss per share attributable to Nuvve Holding Corp. common stockholders, basic and diluted	4,114,430	614,905

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

NUVVE HOLDING CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Net loss	$ (6,728,737)	$ (7,660,105)
Other comprehensive (loss) income, net of taxes		
Foreign currency translation adjustments, net of taxes	(13,651)	8,934
Total comprehensive loss	$ (6,742,388)	$ (7,651,171)
Less: Comprehensive income (loss) attributable to non-controlling interests	(14,299)	6,288
Comprehensive loss attributable to Nuvve Holding Corp.	$ (6,728,089)	$ (7,657,459)
Less: Preferred dividends on redeemable non-controlling interests	(75,004)	(69,292)
Less: Accretion on redeemable non-controlling interests preferred shares	(161,466)	(161,466)
Comprehensive loss attributable to Nuvve Holding Corp. common stockholders	$ (6,491,619)	$ (7,426,701)

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

NUVVE HOLDING CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interests	Total
	Shares	Amount					
Balances December 31, 2023	1,246,589	5,927	155,615,962	93,676	(148,240,859)	(4,894,101)	$ 2,580,605
Exercise of stock options and vesting of restricted stock	174,137	18	(18)	—	—	—	—
Stock-based compensation	—	—	846,514	—	—	—	846,514
Proceeds from common stock offering, net of offering costs	3,035,000	304	5,029,118	—	—	—	5,029,422
Issuance of Pre-funded Warrants	1,614,916	108	—	—	—	—	108
Currency translation adjustment	—	—	—	(13,651)	—	—	(13,651)
Preferred dividends - non-controlling interest	—	—	—	—	—	(75,004)	(75,004)
Accretion on redeemable non-controlling interests preferred shares	—	—	—	—	—	(161,466)	(161,466)
Net loss	—	—	—	—	(6,714,438)	(14,299)	(6,728,737)
Balances March 31, 2024	6,070,642	$ 6,357	$ 161,491,576	$ 80,025	$ (154,955,297)	$ (5,144,870)	$ 1,477,791

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

NUVVE HOLDING CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Non-controlling Interests	Total
	Shares	Amount					
Balances December 31, 2022	606,804	$ 2,427	$144,073,505	$ 76,182	$ (116,956,528)	$(3,950,186)	$23,245,400
Exercise of stock options and vesting of restricted stock	2,283	9	(9)	—	—	—	—
Stock-based compensation	—	—	1,414,183	—	—	—	1,414,183
Proceeds from Direct Offering, net of offering costs	13,587	54	469,946	—	—	—	470,000
Proceeds from common stock offering, net of offering costs	1,966	8	136,709	—	—	—	136,717
Currency translation adjustment	—	—	—	8,934	—	—	8,934
Preferred dividends - non-controlling interest	—	—	—	—	—	(69,292)	(69,292)
Accretion on redeemable non-controlling interests preferred shares	—	—	—	—	—	(161,466)	(161,466)
Net loss	—	—	—	—	(7,666,393)	6,288	(7,660,105)
Balances March 31, 2023	624,639	$ 2,498	$146,094,334	$ 85,116	$ (124,622,921)	$(4,174,656)	$17,384,371

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

NUVVE HOLDING CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Operating activities		
Net loss	$ (6,728,737)	$ (7,660,105)
Adjustments to reconcile to net loss to net cash used in operating activities		
Depreciation and amortization	86,656	76,520
Stock-based compensation	877,782	965,820
Change in fair value of warrants liability	(727,662)	213,758
Change in fair value of derivative liability	11,533	76,840
Warrants issuance costs	305,065	—
Gains from sale of investments in equity securities	—	(325,155)
Noncash lease expense	126,178	115,576
Change in operating assets and liabilities		
Accounts receivable	443,875	(1,427,503)
Inventory	(193,180)	1,519,589
Prepaid expenses and other assets	732,925	(342,511)
Accounts payable	(215,495)	(28,178)
Accrued expenses and other liabilities	504,358	1,021,709
Deferred revenue	52,123	(38,062)
Net cash used in operating activities	(4,724,580)	(5,831,702)
Investing activities		
Purchase of property and equipment	(40,907)	(11,125)
Proceeds from sale of investments in equity securities	—	1,325,155
Net cash provided (used) in investing activities	(40,907)	1,314,030
Financing activities		
Proceeds from Direct Offering of common stock, net of issuance costs	—	470,000
Proceeds from common stock offering, net of issuance costs	8,516,741	136,717
Payment of finance lease obligations	(2,888)	(1,896)
Net cash provided in financing activities	8,513,853	604,821
Effect of exchange rate on cash	5	5,413
Net increase (decrease) in cash and restricted cash	3,748,371	(3,907,438)
Cash and restricted cash at beginning of year	2,014,660	16,233,896
Cash and restricted cash at end of period	$ 5,763,031	$ 12,326,458

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

Note 1 – Organization and Description of Business

Description of Business

Nuvve Holding Corp., a Delaware corporation headquartered in San Diego, California (the "Company" or "Nuvve"), was founded on November 10, 2020 under the laws of the state of Delaware. On March 19, 2021, the Company (at the time known as NB Merger Corp.) acquired the outstanding shares of Nuvve Corporation ("Nuvve Corp."), and the Company changed its name to Nuvve Holding Corp.

Reverse Stock Split

At the Company's Special Meeting of Stockholders held on January 5, 2024, the Company's stockholders approved a proposal to authorize a reverse stock split of the Company's common stock, at a ratio within the range of 1-for-2 to 1-for-40. The Board approved a 1-for-40 reverse split ratio, and on January 19, 2024, the Company filed a Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company with the Secretary of State of the State of Delaware to effect the reverse split effective January 19, 2024. The reverse stock split is also applicable to the Company's outstanding warrants, stock options and restricted stock units. The number of shares of common stock into which these outstanding securities are convertible or exercisable are adjusted proportionately as a result of the reverse stock split. The exercise prices of any outstanding warrants or stock options will also be proportionately adjusted in accordance with the terms of those securities and the Company's equity incentive plans. The reverse stock split did not affect the number of authorized shares of the Company's common stock or the par value of the common stock. All issued and outstanding common stock, options to purchase common stock, warrants to purchase common stock and per share amounts contained in the condensed consolidated financial statement have been retroactively adjusted to reflect the reverse stock split for all periods presented.

Structure of the Company

Nuvve has two wholly owned subsidiaries, Nuvve Corp. and Nuvve Pennsylvania LLC. Nuvve Corp. has four wholly owned subsidiaries: (1) Nuvve Denmark ApS, ("Nuvve Denmark"), a company registered in Denmark, (2) Nuvve SaS, a company registered in France, (3) Nuvve KK (Nuvve Japan), a company registered in Japan, and (4) Nuvve LTD, a company registered in United Kingdom. Nuvve Norway, a company registered in Norway is a branch of Nuvve Denmark.

On August 4, 2021, the Company formed Levo Mobility LLC, a Delaware limited liability company ("Levo"), with Stonepeak Rocket Holdings LP, a Delaware limited partnership ("Stonepeak"), and Evolve Transition Infrastructure LP, a Delaware limited partnership ("Evolve"). Levo is a consolidated entity of the Company. Please see Note 2 for the principles of consolidation.

Levo is a sustainable infrastructure company focused on rapidly advancing the electrification of transportation by funding vehicle-to-grid ("V2G") enabled Electric Vehicle ("EV") fleet deployments. Levo utilizes Nuvve's V2G technology and conditional capital contribution commitments from Stonepeak and Evolve to offer Fleet-as-a-Service ("FaaS") for school buses, last-mile delivery, ride hailing and ride sharing, municipal services, and more to eliminate the primary barriers to EV fleet adoption including large upfront capital investments and lack of expertise in securing and managing EVs and associated charging infrastructure.

Levo's turnkey solution simplifies and streamlines electrification, can lower the total cost of EV operation for fleet owners, and supports the grid when the EVs are not in use. For a fixed monthly payment with no upfront cost, Levo will provide the EVs, such as electric school buses, charging infrastructure powered by Nuvve's V2G platform, EV and charging station maintenance, energy management, and technical advice.

Levo focuses on electrifying school buses, providing associated charging infrastructure, and delivering V2G services to enable safer and healthier transportation for children while supporting carbon dioxide emission reduction, renewable energy integration, and improved grid resiliency.

Note 2 – Summary of Significant Accounting Policies

For a detailed discussion about the Company's significant accounting policies, see Note 2, "*Summary of Significant Accounting Policies*," in the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Form 10-K").

During the three months ended March 31, 2024, there were no significant updates made to the Company's significant accounting policies.

Basis of Presentation

The accompanying (i) unaudited condensed consolidated balance sheet as of December 31, 2023, which has been derived from audited financial statements, and (ii) unaudited interim condensed consolidated financial statements have been prepared in accordance pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to those rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. Therefore, it is recommended that these unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes in the 2023 Form 10-K, filed with the SEC on March 28, 2024.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations, comprehensive loss, cash flows, and stockholders' equity for the interim periods, but are not necessarily indicative of the results to be anticipated for the full year 2024 or any future period.

In accordance with the related Going Concern accounting standards, the Company has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern within one year after the consolidated financial statements are issued. Since inception, the Company has incurred recurring losses and negative cash flows from operations and has an accumulated deficit of $155.0 million and $148.2 million as of March 31, 2024 and December 31, 2023, respectively. The Company incurred operating losses of approximately $7.2 million as of the three months ended March 31, 2024, and $32.1 million and $36.9 million for the years ended December 31, 2023, and 2022, respectively. The Company cash used in operations were $4.7 million for the three months ended March 31, 2024, and $21.3 million and $34.1 million for the years ended December 31, 2023, and 2022, respectively. As of March 31, 2024, the Company had a cash balance, working capital, and stockholders' equity of $5.3 million, $7.3 million and $1.5 million, respectively. The Company continues to expect to generate operating losses and negative cash flows and will need additional funding to support its planned operating activities through profitability. The transition to profitability is dependent upon the successful expanded commercialization of the Company's GIVe platform and the achievement of a level of revenues adequate to support its cost structure.

Management plans to fund current operations through increased revenues and raising additional capital. Management's expectations with respect to the Company's ability to fund current planned operations is based on estimates that are subject to risks and uncertainties. There is an inherent risk that the Company may not achieve such financial projections and if so, cash outflows could be higher than currently anticipated. However, as such plans are not solely within management's control management cannot conclude as of the date of this filing that the plans are probable of being successfully implemented and as such has concluded that substantial doubt exists about the Company's ability to continue as a going concern for twelve months from the date of issuance of our financial statements.

The condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

Principles of Consolidation

The condensed consolidated financial statements include the accounts and operations of the Company, its wholly owned subsidiaries and its consolidated variable interest entity. All intercompany accounts and transactions have been eliminated upon consolidation.

Variable Interest Entities

Pursuant to the consolidation guidance, the Company first evaluates whether it holds a variable interest in an entity in which it has a financial relationship and, if so, whether or not that entity is a variable interest entity ("VIE"). A VIE is an entity with insufficient equity at risk for the entity to finance its activities without additional subordinated financial support or in which equity investors lack the characteristics of a controlling financial interest. If an entity is determined to be a VIE, the Company evaluates whether the Company is the primary beneficiary. The primary beneficiary analysis is a qualitative analysis based on power and economics. The Company concludes that it is the primary beneficiary and consolidates the VIE if the Company has both (i) the power to direct the activities of the VIE that most significantly influence the VIE's economic performance, and (ii) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE.

The Company formed Levo with Stonepeak and Evolve, in which the Company owns 51% of Levo's common units. The Company has determined that Levo is a VIE in which the Company is the primary beneficiary. Accordingly, the Company consolidates Levo and records a non-controlling interest for the share of the entity owned by Stonepeak and Evolve.

Assets and Liabilities of Consolidated VIEs

The Company's condensed consolidated financial statements include the assets, liabilities and results of operations of VIEs for which the Company is the primary beneficiary. The other equity holders' interests are reflected in "Net income (loss) attributable to non-controlling interests" in the condensed consolidated statements of operations and "Non-controlling interests" in the condensed consolidated balance sheets. See Note 18 for details of non-controlling interests. The Company began consolidating the assets, liabilities and results of operations of Levo during the quarter ended September 30, 2021.

The creditors of the consolidated VIE do not have recourse to the Company other than to the assets of the consolidated VIEs. The following table summarizes the carrying amounts of Levo assets and liabilities included in the Company's condensed consolidated balance sheets at March 31, 2024 and December 31, 2023:

	March 31, 2024	December 31, 2023
Assets		
Cash	$ 27,232	$ 27,337
Prepaid expenses and other current assets	1,193	1,363
Total Assets	$ 28,425	$ 28,700
Liabilities		
Accounts payable	$ 22,070	$ 8,380
Accrued expenses and dividend payable	684,825	620,421
Derivative liability - non-controlling redeemable preferred shares	321,261	309,728
Total Liabilities	$ 1,028,156	$ 938,529

Redeemable Non-Controlling Interest - Mezzanine Equity

Redeemable non-controlling interest represents the shares of the preferred stock issued by Levo to Stonepeak and Evolve (the "preferred shareholders"), who own 49% of Levo common units. The preferred stock is not mandatorily redeemable or currently redeemable, but it could be redeemable with the passage of time at the election of Levo, the preferred shareholders or a triggering event as defined in the preferred stock agreement. As a result of the contingent put right available to the preferred shareholders, the redeemable non-controlling interests in Levo are classified as mezzanine equity in the Company's unaudited condensed consolidated balance sheets. The initial carrying value of the redeemable non-controlling interest is reported at the initial proceeds received on issuance date, reduced by the fair value of embedded derivatives resulting in an adjusted initial carrying value. The adjusted initial carrying value is further adjusted for the accretion of the difference with the redemption price value using the effective interest method. The accretion amount is a deemed dividend recorded against retained earnings or, in its absence, to additional paid-in-capital. The carrying amount of the redeemable non-controlling interest is measured at the higher of the carrying amount adjusted each reporting period for income (or loss) attributable to the non-controlling interest, or the carrying amount adjusted each reporting period by the accretion amount. See Note 18 for details.

Non-controlling interests

The Company presents non-controlling interests as a component of equity on its condensed consolidated balance sheets and reports the portion of its earnings or loss for non-controlling interest as net earnings or loss attributable to non-controlling interests in the condensed consolidated statements of operations.

Emerging Growth Company

Section 102(b)(1) of the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”) permits emerging growth companies (“EGC”) to delay complying with new or revised financial accounting standards that do not yet apply to private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act). The Company qualifies as an EGC. The JOBS Act provides that an EGC can elect to opt-out of the extended transition period and comply with the requirements that apply to non-EGCs, but any such election to opt-out is irrevocable. The Company has elected not to opt-out of such an extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an EGC, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This different adoption timing may make a comparison of the Company’s financial statements with another public company, which is neither an EGC nor an EGC that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions made by management include the impairment of intangible assets, the net realizable value of inventory, the fair value of share-based payments, lease incremental borrowing rate, derivative liability associated with redeemable preferred shares, revenue recognition, the fair value of warrants, annual bonus accrual, and the recognition and disclosure of contingent liabilities.

Management evaluates its estimates on an ongoing basis. Actual results could materially vary from those estimates.

Cash and Restricted Cash

The Company maintains cash balances that can, at times, exceed amounts insured by the Federal Deposit Insurance Corporation, which is up to $250,000. The Company has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk in this area. In connection with a new office lease agreement, the Company was required to provide an irrevocable, unconditional letter of credit to the landlord upon execution of the lease. The amount securing the letter of credit was recorded as restricted cash as of March 31, 2024 and December 31, 2023 was $480,000.

Concentrations of Credit Risk

At March 31, 2024 and December 31, 2023, the financial instruments which potentially expose the Company to concentration of credit risk consist of cash in financial institutions (in excess of federally insured limits) and trade receivables.

The Company had certain customers whose revenue individually represented 10% or more of the Company’s total revenue, or whose accounts receivable balances individually represented 10% or more of the Company’s total accounts receivable, as follows:

For the three months ended March 31, 2024 three customers accounted for 53.9% of revenue. For the three months ended March 31, 2023 one customer accounted for 58.9% of revenue.

During the three months ended March 31, 2024, the Company's top five customers accounted for approximately 70.0% of the Company’s total revenue. During the three months ended March 31, 2023, the Company's top five customers accounted for approximately 76.5% of the Company’s total revenue.

At March 31, 2024, three customers accounted for 83.0% of accounts receivable. At December 31, 2023, three customers accounted for 60.9% of accounts receivable.

Approximately 89.3% and 74.0% of the Company’s trade accounts receivable balance was with five customers at March 31, 2024 and December 31, 2023, respectively. The Company estimates its maximum credit risk for accounts receivable at the amount recorded on the balance sheet. The trade accounts receivables are generally short-term and all probable bad debt losses have been appropriately considered in establishing the allowance for doubtful accounts.

Recently adopted accounting pronouncements

None Applicable

Recently issued accounting pronouncements not yet adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures*. ASU 2023-07 requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items to reconcile to segment profit or loss, and the title and position of the Company's CODM. The amendments in this update also provide new segment disclosure requirements for entities with a single reportable segment, and expand the interim segment disclosure requirements. ASU 2023-07 is effective for the fiscal year ending December 31, 2024. Early adoption is permitted and the amendments in this update are required to be applied on a retrospective basis. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) Improvements to Income Tax Disclosures*. ASU 2023-09 requires disclosure of disaggregated income taxes paid in both U.S. and foreign jurisdictions, prescribes standard categories for the components of the effective tax rate reconciliation and modifies other income tax-related disclosures. ASU 2023-09 is effective for the Company's fiscal year ending December 31, 2025. Early adoption is permitted and the amendments in this update should be applied on a prospective basis, though retrospective adoption is permitted. The Company is currently evaluating the impact of this guidance on its consolidated financial statements.

Note 3 – Revenue Recognition

The disclosures below discuss the Company's material revenue contracts.

The following table provides information regarding disaggregated revenue:

	Three Months Ended March 31,	
	2024	2023
Revenue recognized over time:		
Services - engineering and others	$ 180,231	$ 221,958
Grid services	39,640	129,541
Grants	83,416	74,401
Revenue recognized at point in time:		
Products	476,469	1,428,886
Total revenue	$ 779,756	$ 1,854,786

The aggregate amount of revenue for the Company's existing contracts and grants with customers as of March 31, 2024 expected to be recognized in the future, and classified as deferred revenue on the condensed consolidated balance sheet, for year ended December 31, is as follows (this disclosure does not include revenue related to contracts whose original expected duration is one year or less):

2024 (remaining nine months)	461,955
2025	287,585
2026	126,847
2027	82,157
Thereafter	120,986
Total (1)	$ 1,079,530

(1) The revenue recognition is subject to the completion of construction and commissioning of the EV infrastructure.

The Company operates in a single business segment, which is the EV V2G Charging segment. The following table summarizes the Company's revenues by geography:

	Three Months Ended March 31,	
	2024	2023
Revenues:		
United States	$ 755,610	$ 1,758,453
United Kingdom	—	32,982
Denmark	24,146	63,351
	$ 779,756	$ 1,854,786

The following table summarizes the Company's intangible assets and property, plant and equipment in different geographic locations:

	March 31, 2024	December 31, 2023
Long-lived assets:		
United States	$ 1,705,480	$ 1,741,009
United Kingdom	2,511	2,894
Denmark	209,699	224,564
	$ 1,917,690	$ 1,968,467

Note 4 – Fair Value Measurements

The following are the liabilities measured at fair value on the condensed consolidated balance sheet at March 31, 2024 and December 31, 2023 using quoted price in active markets for identical assets (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

Recurring fair value measurements	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at March 31, 2024	Total Gains (Losses) For The Three Months Ended March 31, 2024
Private warrants	$ —	$ —	$ —	$ —	$ —
Stonepeak and Evolve unvested warrants	$ —	$ —	$ —	$ —	$ —
2022 July Institutional/Accredited Investor warrants	$ —	$ —	$ 3	$ 3	$ 4,619
2024 February Institutional/Accredited Investor warrants	$ —	$ —	$ 3,069,274	$ 3,069,274	$ 723,043
Derivative liability - non-controlling redeemable preferred shares	$ —	$ —	$ 321,261	$ 321,261	$ (11,533)
Total recurring fair value measurements	$ —	$ —	$ 3,390,538	$ 3,390,538	$ 716,129

Recurring fair value measurements	Level 1: Quoted Prices in Active Markets for Identical Assets	Level 2: Significant Other Observable Inputs	Level 3: Significant Unobservable Inputs	Total at December 31, 2023	Total Gains (Losses) For The Three Months Ended March 31, 2023
Private warrants	$ —	$ —	$ —	$ —	$ 1,000
Stonepeak and Evolve unvested warrants	$ —	$ —	$ —	$ —	—
2022 July Institutional/Accredited Investor warrants	$ —	$ —	$ 4,621	$ 4,621	$ (214,758)
Derivative liability - non-controlling redeemable preferred shares	$ —	$ —	$ 309,728	$ 309,728	$ (76,840)
Total recurring fair value measurements	$ —	$ —	$ 314,349	$ 314,349	$ (290,598)

The following is a reconciliation of the opening and closing balances for the liabilities related to the warrants (Note 11) and derivative liability - non-controlling redeemable preferred shares measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended March 31, 2024:

	Private warrants	Stonepeak and Evolve unvested warrants	2022 July Institutional/Accredited Investor warrants	2024 February Institutional/Accredited Investor warrants	Non-controlling redeemable preferred shares - derivative liability
Balance at December 31, 2023	$ —	$ —	$ 4,621	$ —	$ 309,728
Initial fair value	—	—	—	3,792,317	—
Balance at Total (gains) losses for period included in earnings	—	—	(4,619)	(723,043)	11,533
Balance at March 31, 2024	$ —	$ —	$ 3	$ 3,069,274	$ 321,261

The fair value of the level 3 Private Warrants was estimated at March 31, 2024 using the Black-Scholes model which used the following inputs: term of 1.97 years, risk free rate of 4.60%, no dividends, volatility of 53.0%, and strike price of $460.00.

The fair value of the level 3 Private Warrants was estimated at December 31, 2023 using the Black-Scholes model which used the following inputs: term of 2.22 years, risk free rate of 4.20%, no dividends, volatility of 60.0%, and strike price of $460.00.

The fair value of the level 3 2022 July Institutional/Accredited Investor warrants was estimated at March 31, 2024 using the Black-Scholes model which used the following inputs: term of 3.80 years, risk free rate of 4.32%, no dividends, volatility of 57.0%, common stock price of $1.10, and strike price of $150.00.

The fair value of the level 3 2022 July Institutional/Accredited Investor warrants was estimated at December 31, 2023 using the Black-Scholes model which used the following inputs: term of 4.10 years, risk free rate of 3.92%, no dividends, volatility of 63.0%, common stock price of $0.12, and strike price of $150.00.

The fair value of the level 3 2024 February Institutional/Accredited Investor warrants was estimated at March 31, 2024 using the Black-Scholes model which used the following inputs: term of 4.85 years, risk free rate of 4.22%, no dividends, volatility of 99.0%, common stock price of $1.10, and strike price of $2.00.

The following table presents the significant unobservable inputs and valuation methodologies used for the Company's fair value measurements of non-recurring (level 3) Stonepeak and Evolve unvested warrants at March 31, 2024:

	Series C Unvested Warrants	Series D Unvested Warrants	Series E Unvested Warrants	Series F Unvested Warrants
Fair value (in millions)	$—	$—	$—	$—
Valuation methodology	Monte Carlo Simulation & Black Scholes	Monte Carlo Simulation & Black Scholes	Monte Carlo Simulation & Black Scholes	Monte Carlo Simulation & Black Scholes
Capital expenditure forecast (in millions)	$—	$—	$—	$—
Probability of warrants vesting (a)	—%	—%	—%	—%

(a) During the second quarter ended June 30, 2022, the Company significantly lowered its forecast of Levo's capital deployments due to the passage by the United States Congress of the Infrastructure Investment and Jobs Act bill, and the related unveiling of the Environmental Protection Agency's 2022 Clean School Bus rebates. The resulting lower forecast of capital deployments reduced the probabilities of the future vesting of the unvested warrants. Therefore, at March 31, 2024, the Company has determined that it is unlikely that the unvested warrants will vest.

The following table presents the significant unobservable inputs and valuation methodologies used for the Company's fair value measurements of non-recurring (level 3) Stonepeak and Evolve unvested warrants at December 31, 2023:

	Series C Unvested Warrants	Series D Unvested Warrants	Series E Unvested Warrants	Series F Unvested Warrants
Fair value (in millions)	$—	$—	$—	$—
Valuation methodology	Monte Carlo Simulation & Black Scholes	Monte Carlo Simulation & Black Scholes	Monte Carlo Simulation & Black Scholes	Monte Carlo Simulation & Black Scholes
Capital expenditure forecast (in millions)	$—	$—	$—	$—
Probability of warrants vesting (a)	—%	—%	—%	—%

(a) During the second quarter ended June 30, 2022, the Company significantly lowered its forecast of Levo's capital deployments due to the passage by the United States Congress of the Infrastructure Investment and Jobs Act bill, and the related unveiling of the Environmental Protection Agency's 2022 Clean School Bus rebates. The resulting lower forecast of capital deployments reduced the probabilities of the future vesting of the unvested warrants. Therefore, at December 31, 2023, the Company has determined that it is unlikely that the unvested warrants will vest.

The fair value of the level 3 derivative liability - non-controlling redeemable preferred shares are estimated at March 31, 2024 using the Monte Carlo Simulation model which used the following inputs: terms range from 0.34 years to 7.0 years, risk free rate of 4.3%, no dividends, volatility of 83.0% and probability of redemptions triggered of 75.0%.

The fair value of the level 3 derivative liability - non-controlling redeemable preferred shares are estimated at December 31, 2023 using the Monte Carlo Simulation model which used the following inputs: terms range from 0.60 years to 7.0 years, risk free rate of 3.9%, no dividends, volatility of 79.0% and probability of redemptions triggered of 75.0%.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy in 2024 and 2023.

Cash, accounts receivable, accounts payable, and accrued expenses are generally carried on the cost basis, which management believes approximates fair value due to the short-term maturity of these instruments.

Note 5 - Derivative Liability - Non-Controlling Redeemable Preferred Stock

The Company has determined that the redemption features embedded in the non-controlling redeemable preferred stock is required to be accounted for separately from the redeemable preferred stock as a derivative liability. Separation of the redemption features as a derivative liability is required because its economic characteristics and risks are considered more akin to a debt instrument, and therefore, not considered to be clearly and closely related to the economic characteristics of the redeemable preferred stock. The economic characteristics of the redemption features are considered more akin to a debt instrument because the minimum redemption value could be greater than the face amount, the redemption features are contingently exercisable, and the shares carry a fixed mandatory dividend.

Accordingly, the Company has recorded an embedded derivative liability representing the estimated fair value of the right of the holders to exercise their redemption option upon the occurrence of a redemption event. The embedded derivative liability is adjusted to reflect fair value at each period end with changes in fair value recorded in the "Change in fair value of derivative liability" financial statement line item of the Company's condensed consolidated statements of operations. For additional information on the non-controlling redeemable preferred stock, see Note 18.

The following table displays the fair value of derivatives by balance sheet line item:

	March 31, 2024	December 31, 2023
Derivative liability - non-controlling redeemable preferred shares	$ 321,261	$ 309,728

Note 6 – Investments

The Company accounts for its 13% equity ownership in Dreev as an investment in equity securities without a readily determinable fair value subject to impairment. The Company has a consulting services agreement with Dreev related to software development and operations. The consulting services were zero for the three months ended March 31, 2024. The consulting services were zero for the three months ended March 31, 2023. The consulting services are being provided to Dreev at the Company's cost and is recognized as other income, net in the condensed consolidated statements of operations.

Note 7 – Account Receivables, Net

The following tables summarizes the Company's accounts receivable:

	March 31, 2024	December 31, 2023
Trade receivables	$ 1,704,797	$ 2,107,497
Less: allowance for credit losses	(423,773)	(382,598)
Accounts receivable, net	$ 1,281,024	$ 1,724,899

Allowance for doubtful accounts:

Balance December 31, 2023	$ (382,598)
Provision	(41,175)
Write-off	—
Recoveries	—
Balance at March 31, 2024	$ (423,773)

Note 8 – Inventories

The following table summarizes the Company's inventories balance by category:

	March 31, 2024	December 31, 2023
DC Chargers	$ 5,470,213	$ 5,275,934
AC Chargers	340,906	236,316
Component parts	271,514	377,203
Total	$ 6,082,633	$ 5,889,453

Note 9 – Property, Plant and Equipment

The following table summarizes the Company's property, plant and equipment balance:

	Useful Lives			March 31, 2024	December 31, 2023
Computers & Servers	1 year	to	3 years	$ 162,347	$ 154,337
Vehicles	5 years	to	7 years	65,513	65,577
Office furniture and equipment	3 years	to	5 years	366,323	366,323
Test units and loaned chargers (1)	5 years	to	7 years	625,163	598,820
Total				1,219,346	1,185,057
Less: Accumulated Depreciation				(468,999)	(418,793)
Property, plant and equipment, net				$ 750,347	$ 766,264

	Three Months Ended March 31,	
	2024	2023
Depreciation expense	$ 51,796	$ 49,958

(1) Represents DC Chargers temporary loaned out to customers while their DC Chargers are being repaired.

Note 10 – Intangible Assets

At both March 31, 2024 and December 31, 2023, the Company had recorded a gross intangible asset balance of $2,091,556, which is related to patent and intangible property rights acquired. Amortization expense of intangible assets was $34,860 for each of the three months ended March 31, 2024 and 2023. Accumulated amortization totaled $924,212 and $889,353 at March 31, 2024 and December 31, 2023, respectively.

The net amount of intangible assets of $1,167,343 at March 31, 2024, will be amortized over the weighted average remaining life of 8.6 years.

Total estimated future amortization expense is as follows:

2024 (remaining nine months)	$ 104,577
2025	139,437
2026	137,770
2027	132,770
2028	132,770
Thereafter	520,019
	$ 1,167,343

Note 11 – Stockholders' Equity

Reverse Stock Split

The reverse stock split did not affect the number of authorized shares of the Company's common stock or the par value of the common stock. Following the reverse stock split effectiveness on January 19, 2024, all references in the condensed consolidated financial statements to number of common shares issued or outstanding, price per share and weighted average number of shares outstanding prior to the 1 for 40 reverse split have been adjusted to reflect the stock split on a retroactive basis as of the earliest period presented.

Authorized Shares

As of March 31, 2024, the Company has authorized two classes of stock, Common Stock, and Preferred Stock. The total number of shares of all classes of capital stock which the Company has authority to issue is 101,000,000, of which 100,000,000 authorized shares are Common Stock with a par value of $0.0001 per share ("Common Stock"), and 1,000,000 authorized shares are Preferred Stock of the par value of $0.0001 per share ("Preferred Stock"). Please see Note 11, "*Stockholders' Equity*," in the Notes to Consolidated Financial Statements included in the Company's 2023 Form 10-K for a detailed discussion of the Company's stockholders' equity.

February 2024 Public Offering

On January 31, 2024, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Craig-Hallum Capital Group LLC ("Craig-Hallum") regarding an underwritten public offering of its securities (the "Offering"). The Offering was conducted pursuant to our Registration Statement on Form S-1 filed with the SEC, which was declared effective as of January 31, 2024. On February 2, 2024, the Company completed the Offering and received gross proceeds of approximately $9.6 million prior to deducting underwriting discounts and commissions and offering expenses. Craig-Hallum received underwriting discounts and commissions equal to 7.0% of the gross proceeds of the Offering, and is further entitled to receive 7.0% of the gross proceeds received by the Company in connection with the exercise of any of the outstanding Series B Warrants issued in the Offering.

As noted above, on January 31, 2024, the Company entered into an Underwriting Agreement regarding the Offering which was comprised of the followings:

1. 3,035,000 shares of common stock;
2. 1,765,000 pre-funded warrants ("Pre-Funded Warrants") to purchase shares of common stock;
3. 4,800,000 Series A Warrants ("Series A Warrants") to purchase shares of common stock, with an initial exercise price of $2.00 per share and a term of five years following the issuance date;
4. 4,800,000 Series B Warrants ("Series B Warrants") to purchase shares of common stock with an exercise price of $2.00 per share and a term of nine months following the issuance date; and
5. 4,800,000 Series C Warrants ("Series C Warrants") to purchase shares of common stock with an exercise price of $2.00 per share and a term of five years following the issuance date, subject to early expiration as described below.

Each share of common stock and Pre-Funded Warrant issued in the Offering was accompanied by a Series A Warrant to purchase one share of common stock, a Series B Warrant to purchase one share of common stock and a Series C Warrant to purchase one share of common stock. The combined price per share of Common Stock and the accompanying Series A Warrant, Series B Warrant and Series C Warrant was $2.00. The combined price per share of each Pre-Funded Warrant and accompanying Series A Warrant, Series B Warrant, and Series C Warrant was equal to $1.9999, and the exercise price of each Pre-Funded Warrant is $0.0001 per share. The Series C Warrants may only be exercised to the extent and in proportion to a holder of the Series C Warrants exercising its Series B Warrants, and are subject to an early expiration of nine months, in proportion and only to the extent any Series C Warrants expire unexercised. In addition, Craig-Hallum was granted warrants to purchase up to 480,000 shares of common stock (the "Underwriter Warrants") at an exercise price of $2.00 per share. The Underwriter Warrants have a term of five years and are immediately exercisable, provided that 240,000 of the shares of common stock underlying the Underwriter Warrants shall only be exercisable pro rata upon the exercise of the Series B Warrants issued in the Offering.

The fair value of the Series A, B and C Warrants are recorded as a liability in the condensed consolidated balance sheets with changes in fair value recorded in the condensed consolidated statements of operations as the warrants are deemed not to be indexed to the Company's common stock. See Note 4 for details of changes in fair value of the warrants recorded in the condensed consolidated statement of operations.

Warrants - Stonepeak and Evolve

On May 17, 2021, in connection with the signing of a letter of agreement, relating to the formation of Levo (the "Letter Agreement"), the Company issued to Stonepeak and Evolve ten year warrants to purchase common stock (allocated 90% to Stonepeak and 10% to Evolve). See below for details. The grant-date fair value of the warrants issued to Stonepeak and Evolve were: series B $12.8 million, series C $5.6 million, series D $4.8 million, series E $3.8 million and series F $3.2 million. The fair values of the vested warrants are recorded in the condensed consolidated balance sheets in additional paid-in capital in stockholders' equity as the vested warrants are indexed to the Company's common stock and meet the conditions for equity classification. The unvested warrants are recorded as a liability in the condensed consolidated balance sheets at fair value, with changes in fair value recorded in the condensed consolidated statements of operations as the unvested warrants are deemed not to be indexed to the Company's common stock. See Note 4 for details of changes in fair value of the unvested warrants recorded in the condensed consolidated statement of operations.

The Company issued to Stonepeak and Evolve the following ten year warrants to purchase common stock (allocated 90% to Stonepeak and 10% to Evolve):

- Series B warrants to purchase 50,000 shares of the Company's common stock, at an exercise price of $400.00 per share, which are fully vested upon issuance,
- Series C warrants to purchase 25,000 shares of the Company's common stock, at an exercise price of $600.00 per share, which are vested as to 50% of the shares upon issuance and vest as to the remaining 50% when Levo has entered into contracts with third parties for $125 million in aggregate capital expenditures,
- Series D warrants to purchase 25,000 shares of the Company's common stock, at an exercise price of $800.00 per share, which are vested as to 50% of the shares upon issuance and vest as to the remaining 50% when Levo has entered into contracts with third parties for $250 million in aggregate capital expenditures,
- Series E warrants to purchase 25,000 shares of the Company's common stock, at an exercise price of $1,200.00 per share, which are vested as to 50% of the shares upon issuance and vest as to the remaining 50% when Levo has entered into contracts with third parties for $375 million in aggregate capital expenditures, and
- Series F warrants to purchase 25,000 shares of the Company's common stock, at an exercise price of $1,600.00 per share, which are vested as to 50% of the shares upon issuance and vest as to the remaining 50% when Levo has entered into contracts with third parties for $500 million in aggregate capital expenditures.

The warrants may be exercised at any time on or after the date that is 180 days after the applicable vesting date.

Securities Purchase Agreement

On May 17, 2021, in connection with the signing of the Letter Agreement, the Company entered into a Securities Purchase Agreement with Stonepeak and Evolve which provide them from time to time between November 13, 2021 and November 17, 2028, in their sole discretion, to purchase up to an aggregate of $250 million in shares of the Company's common stock at a purchase price of $2,000.00 per share (allocated 90% to Stonepeak and 10% to Evolve). See below for details. The grant-date fair value of the Securities Purchase Agreement to purchase shares of the Company's common stock was $12.6 million, and is recorded in the condensed consolidated balance sheets as equity in additional-paid-in capital as it is indexed to the Company's common stock and meets the conditions for equity classification.

In connection with the signing of the Letter Agreement, as referenced above, the Company also entered into a Securities Purchase Agreement (the "SPA") and a Registration Rights Agreement (the "RRA") with Stonepeak and Evolve.

- The SPA includes customary representations and warranties and closing conditions and customary indemnification provisions. In addition, Stonepeak and Evolve may elect to purchase shares under the SPA on a cashless basis in the event of a change of control of the Company.

Warrants - Public and Private

In connection with its initial public offering on February 19, 2020, Newborn sold 143,750 units, which included one warrant to purchase Newborn's common stock (the "Public Warrants"). Also, on February 19, 2020, NeoGenesis Holding Co., Ltd., Newborn's sponsor ("the Sponsor"), purchased an aggregate of 6,813 private units, each of which included one warrant (the "Private Warrants"), which have the same terms as the Public Warrants. Upon completion of the merger between Nuvve and Newborn, the Public Warrants and Private Warrants were automatically converted to warrants to purchase Common Stock of the Company.

The terms of the Private Warrants are identical to the Public Warrants as described above, except that the Private Warrants are not redeemable so long as they are held by the Sponsor or its permitted transferees. Concurrently with the execution of the Merger Agreement on November 11, 2020, Newborn entered into subscription agreements with certain accredited investors pursuant to which the investors agreed to purchase 35,625 of Newborn's common stock, at a purchase price of $400.00 per share, for an aggregate purchase price of $14,250,000 (the "PIPE"). Upon closing of the PIPE immediately prior to the closing of the Business Combination, the PIPE investors also received 1.9 PIPE Warrants to purchase the Company's Common Stock for each share of Common Stock purchased. The PIPE Warrants are each exercisable for one-half of a common share at $460.00 per share and have the same terms as described above for the Public Warrants. The PIPE investors received demand and piggyback registration rights in connection with the securities issued to them.

Because the Private Warrants have dissimilar terms with respect to the Company's redemption rights depending on the holder of the Private Warrants, the Company determined that the Private Warrants are required to be carried as a liability in the condensed consolidated balance sheet at fair value, with changes in fair value recorded in the condensed consolidated statement of operations. The Private Warrants are reflected as a liability in the condensed consolidated balance sheet as of March 31, 2024 and the change in the fair value of the Private Warrants is reflected in the condensed consolidated statement of operations. See Note 4 for details of changes in fair value of the Private Warrants recorded in the condensed consolidated statement of operations.

The following table is a summary of the number of shares of the Company's Common Stock issuable upon exercise of warrants outstanding at March 31, 2024:

	Number of Warrants	Number of Warrants Exercised	Number of Warrants Exercisable	Exercise Price	Expiration Date
Public Warrants	71,875	—	71,875	$460.00	March 19, 2026
Private Warrants	3,406	—	3,406	$460.00	March 19, 2026
PIPE Warrants	33,844	—	33,844	$460.00	March 19, 2026
Stonepeak/Evolve Warrants - series B	50,000	—	50,000	$400.00	May 17, 2031
Stonepeak/Evolve Warrants - series C	25,000	—	12,500	$600.00	May 17, 2031
Stonepeak/Evolve Warrants - series D	25,000	—	12,500	$800.00	May 17, 2031
Stonepeak/Evolve Warrants - series E	25,000	—	12,500	$1,200.00	May 17, 2031
Stonepeak/Evolve Warrants - series F	25,000	—	12,500	$1,600.00	May 17, 2031
2022 July Institutional/Accredited Investor Warrants	100,000	—	100,000	$150.00	January 29, 2028
2024 February Institutional/Accredited Investor Pre-Funded Warrants	575,000	425,000	150,000	$0.0001	February 2, 2029
2024 February Institutional/Accredited Investor Warrants - series A	4,800,000	—	4,800,000	$2.00	February 2, 2029
2024 February Institutional/Accredited Investor Warrants - series B	4,800,000	—	4,800,000	$2.00	November 2, 2024
2024 February Institutional/Accredited Investor Warrants - series C	4,800,000	—	4,800,000	$2.00	February 2, 2029
	15,334,125	425,000	14,859,125		

Unit Purchase Option

On February 19, 2020, Newborn sold to the underwriters of its initial public offering for $100, a unit purchase option ("UPO") to purchase up to a total of 7,906 units at $460.00 per unit (or an aggregate exercise price of $3,636,875) commencing on the date of Newborn's initial business combination, March 19, 2021, and expiring February 13, 2025. Each unit issuable upon exercise of the UPO consists of one and one-tenth of a share of the Company's common stock and one warrant to purchase one share of the Company's common stock at the exercise price of $460.00 per share. The warrant has the same terms as the Public Warrant. In no event will the Company be required to net cash settle the exercise of the UPO or the warrants underlying the UPO. The holders of the unit purchase option have demand and "piggy back" registration rights for periods of five and seven years, respectively, from the effective date of the IPO, including securities directly and indirectly issuable upon exercise of the unit purchase option. The UPO is classified within stockholders' equity as "additional paid-in capital" in accordance with *ASC 815-40, Derivatives and Hedging-Contracts* in an Entity's Own Equity, as the UPO is indexed to the Company's common stock and meets the conditions for equity classification.

Note 12 – Stock Option Plan

In 2010, the Company adopted the 2010 Equity Incentive Plan (the "2010 Plan"), which provides for the grant of restricted stock awards, stock options, and other share-based awards to employees, consultants, and directors. In November 2020, the Company's Board of Directors extended the term of the 2010 Plan to July 1, 2021. In 2021, the Company adopted the 2020 Equity Incentive Plan (the "2020 Plan"), which provides for the grant of restricted stock awards, incentive and non-statutory stock options, and other share-based awards to employees, consultants, and directors. In June 2023, the 2020 Plan was amended, as approved by shareholders, to increase the common shares reserved for issuance under the plan by 100,000 shares. As of March 31, 2024, there is an aggregate of 182,500 common shares reserved for issuance under the 2020 Plan. All options granted to date have a ten year contractual life and vesting terms of four years. In general, vested options expire if not exercised 90 days after termination of service. A total of 59,727 shares of common stock remained available for future issuance under the 2020 Plan as of May 6, 2024. Forfeitures are accounted for as they occur.

Stock-based compensation expense recognized in selling, general, and administrative, and research and development are as follows:

	Three Months Ended March 31,	
	2024	2023
Options	$ 677,483	$ 682,948
Restricted stock	168,904	596,161
Stock options - modified options	169	12,632
Profit interest units	31,226	(325,921)
Total	$ 877,782	$ 965,820

The following is a summary of the stock option activity under the 2010 Plan for the three months ended March 31, 2024:

	Shares	Weighted-Average Exercise Price per Share($)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value($)
Outstanding - December 31, 2023	19,115	102.75	3.53	—
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	(11)	344.89	—	—
Expired/Cancelled	(53)	54.61	—	—
Outstanding - March 31, 2024	19,051	102.85	3.29	—
Options Exercisable at March 31, 2024	19,025	102.52	3.28	—
Options Vested at March 31, 2024	19,025	102.52	3.28	—

The weighted-average grant-date fair value of options granted during the three months ended March 31, 2024 was zero.

The following is a summary of the stock option activity under the 2020 Plan for the three months ended March 31, 2024:

	Shares	Weighted-Average Exercise Price per Share ($)	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value($)
Outstanding - December 31, 2023	57,892	338.67	7.91	—
Granted	—	—	—	—
Exercised	—	—	—	—
Forfeited	(193)	187.21	—	—
Expired/Cancelled	(159)	194.47	—	—
Outstanding - March 31, 2024	57,540	339.44	7.66	—
Options Exercisable at March 31, 2024	29,972	471.49	7.28	—
Options Vested at March 31, 2024	29,972	471.49	7.28	—

The weighted-average grant-date fair value of options granted during the three months ended March 31, 2024 was zero.

During the year ended December 31, 2021, 41,000 options were modified to lower the exercise price by $24.00 per share, which resulted in $246,000 of incremental compensation cost to be recognized over the remaining vesting period. The amount of additional compensation expense for the three months ended March 31, 2024, was $169. The amount of additional compensation expense for the three months ended March 31, 2023, was $12,632.

Other Information:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Amount received from option exercised	$ —	$ —

	March 31, 2024	Weighted average remaining recognition period
Total unrecognized options compensation costs	$ 2,362,972	1.02

No amounts relating to the 2010 Plan or 2020 Plan have been capitalized. Compensation cost is recognized over the requisite service period based on the fair value of the options.

A summary of the status of the Company's nonvested restricted stock units as of December 31, 2023, and changes during the three months ended March 31, 2024, is presented below:

	Shares	Weighted-Average Grant Date Fair Value($)
Nonvested at December 31, 2023	10,307	98.03
Granted	—	—
Vested/Release	(728)	1,648.00
Cancelled/Forfeited	(2,344)	10.36
Nonvested and Outstanding at March 31, 2024	7,235	130.43

As of March 31, 2024, there was $117,631 of total unrecognized compensation cost related to nonvested restricted stock. The Company expects to recognize this compensation cost over a remaining weighted-average period of approximately 0.80 years.

Note 13 – Income Taxes

	Three Months Ended March 31,	
	2024	2023
Income tax expense	$ —	$ —
Effective tax rate	0.0 %	0.0 %

The effective tax rate used for interim periods is the estimated annual effective tax rate, based on current estimate of full year results, except that taxes related to specific events, if any, are recorded in the interim period in which they occur. The effective tax rate differed from the U.S. federal statutory tax rate primarily due to operating losses that receive no tax benefit as a result of a valuation allowance recorded for such losses.

The Company accounts for income taxes in accordance with ASC Topic 740, *Income Taxes* ("ASC 740"). Under the provisions of ASC 740, management is required to evaluate whether a valuation allowance should be established against its deferred tax assets. The Company currently has a full valuation allowance against its deferred tax assets. As of each reporting date, the Company's management considers new evidence, both positive and negative, that could impact management's view with regard to future realization of deferred tax assets. For the three months ended March 31, 2024, there was no material change from the year ended December 31, 2023 in the amount of the Company's deferred tax assets that are not considered to be more likely than not to be realized in future years.

Note 14 – Net Loss Per Share Attributable to Common Stockholders

The following table sets forth the calculation of basic and diluted net loss per share attributable to common stockholders during the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Net loss attributable to Nuvve Holding Corp. common stockholders	$ (6,950,908)	$ (7,897,151)
Weighted-average shares used to compute net loss per share attributable to Nuvve common stockholders, basic and diluted	4,114,430	614,905
Net Loss per share attributable to Nuvve common stockholders, basic and diluted	$ (1.69)	$ (12.84)

The following outstanding shares of common stock equivalents were excluded from the calculation of the diluted net loss per share attributable to Nuvve common stockholders because their effect would have been anti-dilutive:

	Three Months Ended March 31,	
	2024	2023
Stock options issued and outstanding	76,488	63,326
Nonvested restricted stock issued and outstanding	7,235	9,983
Public warrants	71,875	71,875
Private warrants	3,406	3,406
PIPE warrants	33,844	33,844
Stonepeak and Evolve warrants	150,000	150,000
Stonepeak and Evolve options	125,000	125,000
2022 July Institutional/Accredited Investor Warrants	100,000	100,000
2024 February Institutional/Accredited Investor Pre-Funded Warrants	150,000	—
2024 February Institutional/Accredited Investor Warrants - series A	4,800,000	—
2024 February Institutional/Accredited Investor Warrants - series B	4,800,000	—
2024 February Institutional/Accredited Investor Warrants - series C	4,800,000	—
Total	15,117,848	557,434

Note 15 – Related Parties

As described in Note 6, the Company holds equity interests in and provides certain consulting services to Dreev, an entity in which a stockholder of the Company owns the other portion of Dreev’s equity interests.

During the three months ended March 31, 2024 and March 31, 2023, the Company recognized revenue of $75,659 and $65,670, respectively, from an entity that is an investor in the Company. The Company had a balance of accounts receivable of zero at March 31, 2024 and December 31, 2023 from the same entity that is an investor in the Company.

Note 16 – Leases

The Company has entered into leases for commercial office spaces and vehicles. These leases are not unilaterally cancellable by the Company, are legally enforceable, and specify fixed or minimum amounts. The leases expire at various dates through 2031 and provide for renewal options. In the normal course of business, it is expected that these leases will be renewed or replaced by leases on other properties.

The leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. Also, the agreements generally require the Company to pay real estate taxes, insurance, and repairs.

Supplemental unaudited condensed consolidated balance sheet information related to leases is as follows:

	Classification	March 31, 2024	December 31, 2023
Operating lease assets	Right-of-use operating lease assets	$ 4,717,550	4,839,526
Finance lease assets	Property, plant and equipment, net	11,423	13,154
Total lease assets		$ 4,728,973	$ 4,852,680
Operating lease liabilities - current	Operating lease liabilities - current	$ 851,813	856,250
Operating lease liabilities - noncurrent	Operating lease liabilities - noncurrent	4,530,861	4,646,383
Finance lease liabilities - current	Other liabilities - current	7,823	7,391
Finance lease liabilities - noncurrent	Other long-term liabilities	5,536	7,764
Total lease liabilities		$ 5,396,033	$ 5,517,788

The components of lease expense are as follows:

	Classification	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating lease expense	Selling, general and administrative	$ 228,633	$ 228,633
Finance lease expense:			
Amortization of finance lease assets	Selling, general and administrative	1,472	1,423
Interest on finance lease liabilities	Interest income, net	361	493
Total lease expense		$ 230,466	$ 230,549

Maturities of lease liabilities are as follows:	Operating Lease March 31, 2024	Finance Lease March 31, 2024
2024	$ 665,972	$ 5,416
2025	893,046	7,221
2026	921,273	1,805
2027	946,683	—
2028	937,727	—
Thereafter	2,860,827	—
Total lease payments	7,225,528	14,442
Less: interest	(1,842,854)	(1,083)
Total lease obligations	$ 5,382,674	$ 13,359

Lease term and discount rate:

	March 31, 2024	December 31, 2023
Weighted-average remaining lease terms (in years):		
Operating lease	7.6	7.8
Finance lease	2.0	2.5
Weighted-average discount rate:		
Operating lease	7.8%	7.8%
Finance lease	7.8%	7.8%

Other Information:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows - operating leases	$ 126,178	$ 113,561
Operating cash flows - finance leases	$ 1,805	$ 2,015
Financing cash flows - finance leases	$ 2,888	$ 1,896
Leased assets obtained in exchange for new finance lease liabilities	$ 11,423	$ 17,284
Leased assets obtained in exchange for new operating lease liabilities	$ —	$ —

Sublease

In April 2022, the Company entered into a sublease agreement with certain local San Diego companies to sublease a portion of the Company's 4,811 square foot expansion. The term of the sublease is six months to twelve months with fixed base rental income ranging from $2,250 to $14,500 per month. The sublease has no option for renewal or extension at the end of the sublease term.

Sublease income are as follows:

	Classification	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Sublease lease income	Other, net	$ 100,802	$ 129,770

Lessor

In February 2022, the Company entered into a 10 year master services agreement ("MSA") with a certain school district for FaaS to electrify their school bus fleet. A statement of work (“SOW”) for engineering, procurement and construction ("EPC") was also executed in conjunction with the MSA. As part of this SOW, the Company will provide electric vehicle supply equipment ("EVSE") and related warranties, infrastructure engineering and construction, installation of EVSE, and subscription services to Nuvve’s V2G GIVe platform. The MSA has both lease and non-lease components. The lease component is the EVSE and non-lease components are the EPCs. The Company accounted for the lease components as a sale-type lease with the investment in lease of $109,606 and $112,255 at March 31, 2024 and December 31, 2023, respectively.

Lease income are as follows:

	Classification	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Lease income	Products and services	$ 1,138	$ 1,070
Interest income	Products and services	4,115	2,595
Total lease income		$ 5,253	$ 3,665

Note 17 – Commitments and Contingencies

(a) Legal Matters

The Company is subject to various claims and legal proceedings covering matters that arise in the ordinary course of its business activities, including product liability claims. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company. Please see Note 17(e) and (f) below for details regarding legal proceedings with Company suppliers.

(b) Research Agreement

Effective September 1, 2016, the Company is party to a research agreement with a third party, which is also a Company stockholder, whereby the third party will perform research activity as specified annually by the Company. Under the terms of the agreement, the Company paid a minimum of $400,000 annually in equal quarterly installments. For the three months ended March 31, 2024 and 2023, $21,357 and $133,333, respectively, were paid under the research agreement. In September 2023, the agreement was renewed through December 2024. At March 31, 2024, $320,356 remained to be paid under the renewed agreement.

(c) In-Licensing

The Company is a party to a licensing agreement for non-exclusive rights to intellectual property which will expire at the later of the date at which the last patent underlying the intellectual property expires or 20 years from the sale of the first licensed product. Under the terms of the agreement, the Company will pay up to an aggregate of $700,000 in royalties upon achievement of certain milestones. As of March 31, 2024 and December 31, 2023, no royalty expenses had been incurred under this agreement**.**

In November 2017, the Company executed an agreement ("IP Acquisition Agreement") with the University of Delaware ("Seller") whereby all rights, title, and interest in the licensed intellectual property was assigned to the Company in exchange for an upfront fee of $500,000 and common shares valued at $1,491,556. The total acquisition cost of $1,991,556 was capitalized and is being amortized over the fifteen year expected life of the patents underlying the intellectual property. Under the terms of the agreement, the Company will pay up to an aggregate $7,500,000 in royalties to the Seller upon achievement of milestones, related to the aggregate number of vehicles that have had access to the Company's GIVe platform system for a period of at least six consecutive months, and for which the Company has received monetary consideration for such access pursuant to a subscription or other similar agreement with the vehicle's owner as follows:

Milestone Event: Aggregated Vehicles	Milestone Payment Amount
10,000	$ 500,000
20,000	750,000
40,000	750,000
60,000	750,000
80,000	750,000
100,000	1,000,000
200,000	1,000,000
250,000	2,000,000
	$ 7,500,000

The Seller will retain a non-exclusive, royalty-free license, to utilize the intellectual property solely for research and education purposes. As of March 31, 2024, no royalty expenses had been incurred under this agreement.

(d) Investment

The Company is committed to possible future additional contributions to the Investment in Dreev (Note 6) in the amount of $270,000.

(e) Purchase Commitments

On July 20, 2021, Nuvve issued a purchase order ("PO") to its supplier, Rhombus Energy Solutions, Inc. ("Rhombus"), for a quantity of DC fast chargers and dispensers for EVs (the "DC Chargers"), for a total price of $13.2 million. A dispute (the "Dispute") arose as to the PO, and an arbitration proceeding was initiated.

On February 2, 2024 (the "Settlement Date"), the Company and Rhombus entered into a settlement and release agreement (the "Settlement Agreement") pursuant to which, among other things, the Company agreed to pay Rhombus approximately $0.46 million for certain initial DC Chargers within 15 days from the Settlement Date. The Company further agreed to pay Rhombus an aggregate of $2.40 million for certain DC Chargers upon shipment with payments correlating to the amounts shipped due prior to shipment, a minimum of 50% of which shall be paid within 12 months after the Settlement Date, with the remaining balance, if any, to be paid within 24 months after the Settlement Date. The Settlement Agreement further provides for the dismissal of the legal action as to the Company and Rhombus. The Company and Rhombus agreed to release one another from any and all claims relating to the Dispute.

(f) School Bus Storage Litigation

In October and November 2021, the Company purchased an aggregate of five school buses from a certain school bus dealership in Pittsburgh, Pennsylvania. Thereafter, the Company entered into agreements to sell these buses to certain third-party purchasers. However, the dealership refused to release four of the buses and to provide us with a manufacturer statement of origin (an "MSO") for all five buses, claiming that the Company owed them approximately $0.45 million in storage fees allegedly incurred since January 2022. The Company disputed that it had an obligation to pay the storage fees as well as the amount of fees demanded by the dealership, and filed a petition for preliminary injunction with the Court of Common Pleas of Allegheny County, Pennsylvania.

On November 1, 2023, the court granted the Company's petition for preliminary injunction requiring the dealership to release and provide keys for the four buses and to provide the MSOs for all five buses, contingent on the Company posting an injunction bond in the amount of $0.55 million within seven days of the order. The Company timely posted the injunction bond on November 7, 2023. The Company anticipates that the storage fee dispute with the dealership will be adjudicated by the end of the second quarter of fiscal year 2024.

Note 18 - Non-Controlling Interest

For entities that are consolidated, but not 100% owned, a portion of the net income or loss and corresponding equity is allocated to owners other than the Company. The aggregate of the net income or loss and corresponding equity that is not owned by the Company is included in non-controlling interests in the condensed consolidated financial statements.

Non-controlling interests are presented outside as a separate component of stockholders' equity on the Company's condensed consolidated balance sheets. The primary components of non-controlling interests are separately presented in the Company's condensed consolidated statements of changes in stockholders' equity to clearly distinguish the interest in the Company and other ownership interests in the consolidated entities. Net income or loss includes the net income or loss attributable to the holders of non-controlling interests on the Company's condensed consolidated statements of operations. Net income or loss is allocated to non-controlling interests in proportion to their relative ownership interests.

Levo Series B Redeemable Preferred Stock

Levo is authorized to issue 1,000,000 shares of Series B Preferred Stock at no par value.

The Series B Preferred Stock (a) pays a dividend, when, as and if declared by Levo's Board of Directors, of 8.0% per annum of the stated value per share, payable quarterly in arrears, (b) has an initial stated value of $1,000 per share, and dividends are paid in cash. Levo accrues for undeclared and unpaid dividends as they are payable in accordance with the terms of the Certificate of Designations filed with the Secretary of State of the State of Delaware. At March 31, 2024, Levo had accumulated unpaid accrued preferred dividends of $687,205, included in accrued liabilities, on 3,138 issued and outstanding shares of Series B Preferred Stock. Series B Preferred Stock is not a participating or convertible securities. Series B Preferred Stock is not currently redeemable but it could be redeemable with the passage of time at the election of Levo or the preferred shareholders or upon the occurrence of a trigger event as defined in the preferred stock agreement. Since the redeemable preferred stock may be redeemed by the preferred shareholders or upon the occurrence of a trigger event that is not solely within the control of Levo, but is not mandatorily redeemable; therefore, based on its characteristics, Levo has classified the Series B Preferred Stock as mezzanine equity.

At March 31, 2024, Series B Preferred Stock consisted of the following:

Shares Authorized	Shares Issued and Outstanding	Stated Value per Share	Initial Carrying Value	Cumulative Unpaid Accrued Preferred Dividends	Liquidation Preference
1,000,000	3,138	$ 1,000	$ 3,138,000	$ 687,205	$ 3,825,205

The Company has determined that the redemption features embedded in the non-controlling redeemable preferred stock is required to be accounted for separately from the redeemable preferred stock as a derivative liability. See Note 5 for detail disclosure of the derivative liability.

The redeemable preferred stock has been initially recognized at fair value of $3,138,000, the proceeds on the date of issuance. This amount has been further reduced by $497,606, the fair value of the embedded derivative liability at date of issuance, resulting in an adjusted initial value of $2,640,394. Levo is accreting the difference between the adjusted carrying initial value and the redemption price value over the seven-year period from date of issuance of August 4, 2021 through July 4, 2028 (the date at which the preferred shareholders have the unconditional right to redeem the shares, deemed to be the earliest likely redemption date) using the effective interest method. The accretion to the carrying value of the redeemable preferred stock is treated as a deemed dividend, recorded as a charge to retained earnings of Levo. During the three months ended March 31, 2024, Levo accreted $161,466 resulting in the carrying value of the redeemable preferred stock of $4,355,095.

The following table summarizes Levo non-controlling interests presented as a separate component of stockholders' equity on the Company's condensed consolidated balance sheet at March 31, 2024:

	March 31, 2024	December 31, 2023
Beginning Balance	$ (4,894,101)	(3,950,186)
Net income (loss) attributable to non-controlling interests	$ (14,299)	(12,456)
Less: dividends paid to non-controlling interests	75,004	285,595
Less: Preferred share accretion adjustment	161,466	645,864
Non-controlling interests	$ (5,144,870)	$ (4,894,101)

The following table summarizes Levo non-controlling interests presented as a separate component of the Company's condensed consolidated statements of operations as of March 31, 2024:

	Three Months Ended March 31,	
	2024	2023
Net income (loss) attributable to non-controlling interests	$ (14,299)	$ 6,288

Redeemable Non-controlling Interest Reconciliation — Mezzanine Equity

	March 31, 2024	December 31, 2023
Beginning balance	$ 4,193,629	$ 3,547,765
Preferred share Accretion adjustment	161,466	645,864
Ending balance	$ 4,355,095	$ 4,193,629

Profits Interests Units (Class D Incentive Units)

In April 2022, Levo issued Class D Incentive Units to certain key employees in the form of profits interests within the meaning of the Internal Revenue Service ("Profits Interests"). Any future distributions under the Profits Interests will only occur once distributions made to all other member units exceed a threshold amount. The Company performed an analysis of the key features of the Profits Interests to determine whether the nature of the Profits Interests are (a) an equity award which should be accounted for under ASC 718, *Compensation – Stock Compensation* or (b) a bonus arrangement which should be accounted for under ASC 710, *Compensation – General*. Based on the features of the Profits Interests, the awards are considered stock compensation to be accounted for as equity. Accordingly, compensation expense for the Profits Interests will be recognized over the vesting period of the awards.

Subject to the grantee not incurring a termination prior to the applicable vesting date, the Incentive Units will vest as follows: (i) 80% of the Incentive Units will vest in equal 25.0% installments on each of the first four (4) anniversaries of the grant date (such that 80% of the total number of Incentive Units issued to the grantee hereunder will be vested on the fourth anniversary of the Grant Date) and (ii) the remaining 20% of the Incentive Units will vest upon a Change of Control. Therefore, the expenses recorded will only reflect the 80% vesting portion.

During the three months ended March 31, 2024, the Company recorded compensation expenses, included in selling, general, and administrative, under the Profits Interests of $31,226. During the three months ended March 31, 2023, the Company recorded compensation expenses, included in selling, general, and administrative, under the Profits Interests of $30,463.

The Company uses the Monte Carlo Simulation model to estimate the fair value of Class D Incentive Units. Fair value is estimated at the date of grant for employee and nonemployee options. The following assumptions were used in the Monte Carlo Simulation model to calculate the fair value of Class D Incentive Units outstanding as of March 31, 2024.

	Class D Units
Expected life of Class D Incentive Units (in years) (1)	5.5
Risk-free interest rate (2)	3.02 %
Volatility (3)	69.50 %

(1) The expected life of options is the average of the contractual term of the Class D Incentive Units and the vesting period.
(2) The risk-free interest rate is based on the yields on U.S. Treasury debt securities with maturities approximating the estimated life of the options.
(3) Volatility is estimated by management. As the Company has been a private company for most of its existence, there is not enough historical volatility data related to the Company's Common Stock as a public entity. Therefore, this estimate is based on the average volatility of certain public company peers within the Company's industry.

A summary of the status of the Company's Class D Incentive Units as of December 31, 2023, and changes during the three months ended March 31, 2024, is presented below:

	Shares	Weighted-Average Grant Date Fair Value($)
Nonvested at December 31, 2023	50,000	12.49
Granted	—	—
Vested	—	—
Cancelled	—	—
Nonvested and Outstanding at March 31, 2024	50,000	12.49

As of March 31, 2024, there was $252,156 of total unrecognized compensation cost related to nonvested Class D Incentive Units. The Company expects to recognize this compensation cost over a remaining weighted-average period of approximately 1.75 years.

Note 19 - Subsequent Events

None

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

This Quarterly Report on Form 10-Q (this “Quarterly Report”) includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. In some cases, you can identify forward-looking statements by terminology such as “may,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “continue,” or the negative of such terms or other similar expressions. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other filings with the Securities and Exchange Commission (“SEC”).

References in this Quarterly Report to “we,” “us” and “our” and to “Nuvve” and the “Company” are to Nuvve Holding Corp. and its subsidiaries.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the financial statements and the notes thereto contained elsewhere in this Quarterly Report.

Overview

We are a green energy technology company that provides, directly and through business ventures with our partners, a globally-available, commercial V2G technology platform that enables EV batteries to store and resell unused energy back to the local electric grid and provide other grid services. Our proprietary V2G technology — Grid Integrated Vehicle ("GIVe") platform — has the potential to refuel the next generation of EV fleets through cutting-edge, bi-directional charging solutions.

Our proprietary V2G technology enables us to link multiple EV batteries into a virtual power plant to provide bi-directional services to the electrical grid. Our GIVe software platform was created to harness capacity from “loads” at the edge of the distribution grid (i.e., aggregation of EVs and small stationary batteries) in a qualified, controlled and secure manner to provide many of the grid services offered by conventional generation sources (i.e., coal and natural gas plants). Our current addressable energy and capacity markets include grid services such as frequency regulation, demand charge management, demand response, energy optimization, distribution grid services and energy arbitrage.

Our customers and partners include owner/operators of light duty fleets, heavy duty fleets (including school buses), automotive manufacturers, charge point operators, and strategic partners (via joint ventures, other business ventures and special purpose financial vehicles). We also operate a small number of company-owned charging stations serving as demonstration projects funded by government grants. We expect growth in company-owned charging stations and the related government grant funding to continue, but for such projects to constitute a declining percentage of our future business as our commercial operations expand.

We offer our customers networked charging stations, infrastructure, software, professional services, support, monitoring and parts and labor warranties required to run electric vehicle fleets, as well as low and in some cases free energy costs. We expect to generate revenue primarily from the provision of services to the grid via our GIVe software platform and sales of V2G-enabled charging stations. In the case of light duty fleet and heavy duty fleet customers, we also may receive a mobility fee, which is a recurring fixed payment made by fleet customers per fleet vehicle. In addition, we may generate non-recurring engineering services revenue derived from the integration of our technology with automotive OEMs and charge point operators. In the case of recurring grid services revenue generated via automotive OEM and charge point operator customer integrations, we may also share the recurring grid services revenue with the customer.

On August 4, 2021, we formed Levo Mobility LLC ("Levo"), a Delaware limited liability company, with Stonepeak Rocket Holdings LP ("Stonepeak"), a Delaware limited partnership and Evolve Transition Infrastructure LP ("Evolve"), a Delaware limited partnership. Levo is our consolidated subsidiary.

Levo is a sustainable infrastructure company focused on rapidly advancing the electrification of transportation by funding V2G-enabled EV fleet deployments. Levo utilizes our V2G technology and committed capital from Stonepeak and Evolve to offer Fleet-as-a-Service for school buses, last-mile delivery, ride hailing and ride sharing, municipal services, and more to eliminate the primary barriers to EV fleet adoption including large upfront capital investments and lack of expertise in securing and managing EVs and associated charging infrastructure.

Levo's turnkey solution simplifies and streamlines electrification, can lower the total cost of EV operation for fleet owners, and support the grid when the EVs are not in use. For a fixed monthly payment with no upfront cost, Levo will provide the EVs, such as electric school buses, charging infrastructure powered by our V2G platform, EV and charging station maintenance, energy management, and technical advice.

Levo focuses on electrifying school buses, providing associated charging infrastructure, and delivering V2G services to enable safer and healthier transportation for children while supporting carbon dioxide emission reduction, renewable energy integration, and improved grid resiliency.

Backlog

Our total backlog represents the estimated future transaction price values for unsatisfied and partially satisfied estimated product and service deliveries to our customers. Backlog is converted into revenue in future periods as we satisfy the performance obligations to our customers for our products and services, primarily based on the cost incurred or at delivery and acceptance of products, depending on the applicable accounting method.

Our estimated backlog on March 31, 2024, was $18.7 million, which we expect to be earned in future periods. We anticipate recognizing revenue from this backlog from 2024 through 2026.

Results of Operations

Three Months Ended March 31, 2024 Compared with Three Months Ended March 31, 2023

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31,		Period-over-Period Change	
	2024	2023	Change ($)	Change (%)
Revenue				
Products	$ 476,469	$ 1,428,886	$ (952,417)	(67)%
Services	$ 219,871	$ 351,499	$ (131,628)	(37)%
Grants	83,416	74,401	9,015	12 %
Total revenue	779,756	1,854,786	(1,075,030)	(58.0)%
Operating expenses				
Cost of product	336,672	1,368,573	(1,031,901)	(75)%
Cost of service	172,772	92,331	80,441	87 %
Selling, general and administrative expenses	5,928,110	6,172,024	(243,914)	(4)%
Research and development expense	1,589,577	2,100,088	(510,511)	(24)%
Total operating expenses	8,027,131	9,733,016	(1,705,885)	(17.5)%
Operating loss	**(7,247,375)**	**(7,878,230)**	**630,855**	(8.0)%
Other income (expense)				
Interest income, net	9,012	68,337	(59,325)	(87)%
Change in fair value of warrants liability	727,662	(213,758)	941,420	NM
Change in fair value of derivative liability	(11,533)	(76,840)	65,307	85 %
Other, net	(206,503)	440,386	(646,889)	(147)%
Total other income, net	**518,638**	**218,125**	**300,513**	**137.8 %**
Loss before taxes	(6,728,737)	(7,660,105)	931,368	**(12.2)%**
Income tax expense	—	—	—	— %
Net loss	**$ (6,728,737)**	**$ (7,660,105)**	**$ 931,368**	(12.2)%
Less: Net (loss) income attributable to non-controlling interests	(14,299)	6,288	(20,587)	(327.4)%
Net loss attributable to Nuvve Holding Corp.	**$ (6,714,438)**	**$ (7,666,393)**	**$ 951,955**	**(12.4)%**

NM - Not Meaningful

Revenue

Total revenue was $0.78 million for the three months ended March 31, 2024, compared to $1.85 million for the three months ended March 31, 2023, a decrease of $1.08 million, or 58.0%. The decrease was primarily attributable to a $0.95 million decrease in products revenue and $0.1 million decrease in services revenue due to lower customers sales orders and shipments. Products and services revenue for the three months ended March 31, 2024, consisted of DC and AC Chargers of $0.48 million, grid services revenue of $0.04 million, and engineering services of $0.18 million.

Cost of Product and Service Revenue

Cost of products and services revenue for the three months ended March 31, 2024, decreased by $1.0 million to $0.5 million, or 65.1% compared to $1.5 million for the three months ended March 31, 2023 due to lower customers sales orders and shipments. Products and services margin increased by 8.9% to 26.8% for the three months ended March 31, 2024, compared to 17.9% in the same prior year period. Margin benefited from a lower mix of hardware charging stations' sales and a higher mix of engineering services in the current quarter compared with the first quarter of 2023

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of selling, marketing, advertising, payroll, administrative, legal finance, and professional expenses.

Selling, general and administrative expenses were $5.9 million for the three months ended March 31, 2024, as compared to $6.2 million for the three months ended March 31, 2023, a decrease of $0.3 million, or 4.0%.

The decrease during the three months ended March 31, 2024 was primarily attributable to decreases in insurance related expenses of $0.1 million, decreases in public company related costs of $0.1 million, decreases in office related expenses of $0.1 million, decreases in subcontractor and outside services expenses of $0.3 million, and decreases in travel and marketing/promotions related expenses of $0.2 million, partially offset by increases in compensation expenses of $0.6 million, including share-based compensation. Expenses resulting from the consolidation of Levo's activities during the three months ended March 31, 2024, accounted for $0.2 million of the decrease in selling, general and administrative expenses.

Research and Development Expenses

Research and development expenses decreased by $0.5 million, or 24.3%, from $2.1 million for the three months ended March 31, 2023 to $1.6 million for the three months ended March 31, 2024. The decrease during the three months ended March 31, 2024 was primarily attributable to decreases in compensation expenses and subcontractor expenses used to advance our platform functionality and integration with more vehicles.

Other Income, net

Other income, net consists primarily of interest expense, change in fair value of warrants liability and derivative liability, and other income (expense). Other income, net increased by $0.3 million from $0.2 million of other income for the three months ended March 31, 2023, to $0.5 million in other income for the three months ended March 31, 2024. The increase during the three months ended March 31, 2024 was primarily attributable to the change in fair value of the warrants liability, partially offset by sublease income related to the subleasing of part of our main office space (See Note 16).

Income Taxes

In each of the three months ended March 31, 2024 and 2023, we recorded no material income tax expenses. The income tax expenses during each of the three months ended March 31, 2024 and 2023 were minimal primarily due to operating losses that receive no tax benefits as a result of a valuation allowance recorded for such losses.

Net Loss

Net loss decreased by $0.9 million, or 12.2%, from $7.7 million for the three months ended March 31, 2023, to $6.7 million for the three months ended March 31, 2024. The decrease in net loss was primarily due to an increase in other income of $0.3 million, and a decrease in operating expenses of $1.7 million, which includes a decrease in cost of product and services of $1.0 million, partially offset by decrease in revenue of $1.1 million, for the above aforementioned reasons.

Net Income (Loss) Attributable to Non-Controlling Interest

Net loss attributable to non-controlling interest was $0.01 million for the three months ended March 31, 2024 compared to net income attributable to non-controlling interest of $0.01 million for the three months ended March 31, 2023.

Net income (loss) is allocated to non-controlling interests in proportion to the relative ownership interests of the holders of non-controlling interests in Levo, an entity formed by us with Stonepeak and Evolve. We own 51% of Levo's common units and Stonepeak and Evolve own 49% of Levo's common units. We have determined that Levo is a variable interest entity (“VIE”) in which we are the primary beneficiary. Accordingly, we consolidated Levo and recorded a non-controlling interest for the share of Levo owned by Stonepeak and Evolve during the three months ended March 31, 2024.

Liquidity and Capital Resources

Sources of Liquidity

We are still an early-stage business enterprise. We have not yet demonstrated a sustained ability to generate sufficient revenue from sales of our technology and services or conduct sales and marketing activities necessary for the successful commercialization of our GIVe platform. We have not yet achieved profitability and have experienced substantial net losses, and we expect to continue to incur substantial losses for the foreseeable future. We have incurred operating losses of approximately $7.2 million as of the three months ended March 31, 2024, and $32.1 million and $36.9 million for the years ended December 31, 2023, and 2022, respectively. Our cash used in operations were $4.7 million as of the three months ended March 31, 2024, and $21.3 million and $34.1 million for the years ended December 31, 2023, and 2022, respectively. As of March 31, 2024, we had a cash balance, working capital, and stockholders' equity of $5.3 million, $7.3 million and $1.5 million, respectively.

We have incurred net losses and negative cash flows from operations since our inception. We have funded our business operations primarily with the issuance of equity and cash from operations. We plan to fund current operations through increased revenues and raising additional capital. Please see below for details. However, there can be no assurance we will be successful in raising necessary funds in the future, on acceptable terms or at all.

February 2024 Public Offering

On January 31, 2024, we entered into an underwriting agreement (the "Underwriting Agreement") with Craig-Hallum Capital Group LLC ("Craig-Hallum") regarding an underwritten public offering of its securities (the "Offering"). The Offering was conducted pursuant to our Registration Statement on Form S-1 filed with the SEC, which was declared effective as of January 31, 2024. On February 2, 2024, we completed the Offering and received gross proceeds of approximately $9.6 million prior to deducting underwriting discounts and commissions and offering expenses. Craig-Hallum received underwriting discounts and commissions equal to 7.0% of the gross proceeds of the Offering, and is further entitled to receive 7.0% of the gross proceeds received by us in connection with the exercise of any of the outstanding Series B Warrants issued in the Offering.

As noted above, on January 31, 2024, we entered into an Underwriting Agreement regarding the Offering which was comprised of the followings:

1. 3,035,000 shares of common stock;
2. 1,765,000 pre-funded warrants ("Pre-Funded Warrants") to purchase shares of common stock;
3. 4,800,000 Series A Warrants ("Series A Warrants") to purchase shares of common stock, with an initial exercise price of $2.00 per share and a term of five years following the issuance date;
4. 4,800,000 Series B Warrants ("Series B Warrants") to purchase shares of common stock with an exercise price of $2.00 per share and a term of nine months following the issuance date; and
5. 4,800,000 Series C Warrants ("Series C Warrants") to purchase shares of common stock with an exercise price of $2.00 per share and a term of five years following the issuance date, subject to early expiration as described below.

Each share of common stock and Pre-Funded Warrant issued in the offering was accompanied by a Series A Warrant to purchase one share of common stock, a Series B Warrant to purchase one share of common stock and a Series C Warrant to purchase one share of common stock. The combined price per share of Common Stock and the accompanying Series A Warrant, Series B Warrant and Series C Warrant was $2.00. The combined price per share of each Pre-Funded Warrant and accompanying Series A Warrant, Series B Warrant, and Series C Warrant was equal to $1.9999, and the exercise price of each Pre-Funded warrant is $0.0001 per share. The Series C Warrants may only be exercised to the extent and in proportion to a holder of the Series C Warrants exercising its Series B Warrants, and are subject to an early expiration of nine months, in proportion and only to the extent any Series C Warrants expire unexercised. In addition, Craig-Hallum was granted warrants to purchase up to 480,000 shares of common stock (the "Underwriter Warrants") at an exercise price of $2.00 per share. The Underwriter Warrants have a term of five years and are immediately exercisable, provided that 240,000 of the shares of common stock underlying the Underwriter Warrants shall only be exercisable pro rata upon the exercise of the Series B Warrants issued in the Offering.

Shelf Registration

On April 25, 2022, we filed a shelf registration statement with the SEC which allows us, subject to limitations under the baby shelf rules discussed below, to issue unspecified amounts of common stock, preferred stock, warrants for the purchase of shares of common stock or preferred stock, debt securities, and units consisting of any combination of any of the foregoing securities, in one or more series, from time to time and in one or more offerings up to a total dollar amount of $100.0 million. The shelf registration statement was declared effective on May 5, 2022. Our ability to utilize the full capacity of our shelf registration, or any future shelf registration on Form S-3, is limited by our compliance with the baby shelf rules. Pursuant to the "baby shelf rules" promulgated by the SEC, if our public float is less than $75.0 million as of specified measurement periods, the number of securities that may be offered and sold by us under a Form S-3 registration statement, including pursuant to our shelf registration statement, in any twelve-month period is limited to an aggregate amount that does not exceed one-third of our public float. As a result, we will be limited by the baby shelf rules until such time our public float exceeds $75 million, which means we only have the capacity to sell shares up to one-third of our public float under shelf registration statements in any twelve-month period.

Levo

On August 4, 2021, we formed Levo with Stonepeak and Evolve to rapidly accelerate the deployment of electric fleets, including zero-emission electric school buses for school districts in the United States through V2G hubs and Transportation as a service ("TaaS"). Levo utilizes our proprietary V2G technology, and the conditional capital contribution commitments from Stonepeak and Evolve of $750 million, subject to project approval process as outlined under the terms of the definitive agreements, to fund acquisition of electric fleets, and construction of EV infrastructure. Stonepeak and Evolve have the option to increase their conditional capital contribution commitments to $1.0 billion when Levo has entered into contracts with third parties for $500 million in aggregate capital expenditures. See Note 11, in the Notes to Consolidated Financial Statements included in the Company’s 2023 Form 10-K for a detailed discussion of the Company’s Stonepeak and Evolve Warrants related Securities Purchase Agreement (as defined in the Company's 2023 Form 10-K).

Cash Flows

	Three Months Ended March 31,	
	2024	**2023**
Net cash (used in) provided by:		
Operating activities	$ (4,724,580)	$ (5,831,702)
Investing activities	(40,907)	1,314,030
Financing activities	8,513,853	604,821
Effect of exchange rate on cash and restricted cash	5	5,413
Net increase (decrease) in cash and restricted cash	$ 3,748,371	$ (3,907,438)

Net cash used in operating activities during the three months ended March 31, 2024 was $4.7 million as compared to net cash used of $5.8 million in the three months ended March 31, 2023. The $1.1 million decrease in net cash used in operating activities was primarily attributable to lower use of cash for working capital during the three months ended March 31, 2024 as compared to the same prior period. Working capital during the three months ended March 31, 2024 was impacted by, among other items, lower net loss of $6.7 million, resulting from decrease in operating expenses and lower revenue. Additionally, improved timing and management of vendor terms compared to the cash settlement of such items contributed to lower use of cash for working capital.

During the three months ended March 31, 2024, cash used for investing activities was $0.04 million as compared to net cash provided by investing activities of $1.3 million during the three months ended March 31, 2023. Net cash provided by investing activities during the three months ended March 31, 2023 were from the sale of our equity investment in Switch EV Ltd partnership alliance, partially offset by purchase of fixed assets.

Net cash provided for financing activities for the three months ended March 31, 2024 was $8.5 million, which was the proceeds from public offering of common stock, partially offset by issuance cost. Net cash provided for financing activities for the three months ended March 31, 2023 was $0.6 million, of which $0.5 million was the proceeds from direct offering, partially offset by issuance cost, and $0.1 million was provided in connection with the proceeds from the at-the-market common stock offering.

Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions for the reported amounts of assets, liabilities, revenue, expenses and related disclosures. Our estimates are based on its historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

For a summary of our significant accounting policies, see Note 2, Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements included in Part I, Item 1 of our 2023 Form 10-K. For a summary of our critical accounting estimates, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" in our 2023 Form 10-K.

Recent Accounting Pronouncements

See Note 2, Summary of Significant Accounting Policies, of the Notes to Consolidated Financial Statements included in Part I, Item 1 of our 2023 Form 10-K.

Emerging Growth Company Accounting Election

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can choose not to take advantage of the extended transition period and comply with the requirements that apply to non-emerging growth companies, and any such election to not take advantage of the extended transition period is irrevocable. The Company is an "emerging growth company" as defined in Section 2(A) of the Securities Act of 1933, as amended, and has elected to take advantage of the benefits of this extended transition period.

The Company expects to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public business entities and non-public business entities until the earlier of the date the Company (a) is no longer an emerging growth company or (b) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. This may make it difficult or impossible to compare the Company's financial results with the financial results of another public company that is either not an emerging growth company or is an emerging growth company that has chosen not to take advantage of the extended transition period exemptions because of the potential differences in accounting standards used. See Note 2 of the accompanying unaudited condensed consolidated financial statements of Nuvve included elsewhere in this Quarterly Report for the recent accounting pronouncements adopted and the recent accounting pronouncements not yet adopted for the three months ended March 31, 2024.

In addition, the Company intends to rely on the other exemptions and reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an emerging growth company, the Company intends to rely on such exemptions, the Company is not required to, among other things: (a) provide an auditor's attestation report on the Company's system of internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act; (b) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act; (c) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the consolidated financial statements (auditor discussion and analysis); or (d) disclose certain executive compensation-related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation.

The Company will remain an emerging growth company under the JOBS Act until the earliest of (a) December 31, 2025, which the last day of the Company's first fiscal year following the fifth anniversary of Newborn's IPO, (b) the last date of the Company's fiscal year in which the Company has total annual gross revenue of at least $1.235 billion, (c) the date on which the Company is deemed to be a "large accelerated filer" under the rules of the SEC with at least $700.0 million of outstanding securities held by non-affiliates or (d) the date on which the Company has issued more than $1.0 billion in non-convertible debt securities during the previous three years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, our principal executive officer and principal accounting and financial officer, respectively, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2024.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of March 31, 2024.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the quarter ended March 31, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The information required to be set forth under this Part II, Item 1 is incorporated by reference to Note 17 “Commitments and Contingencies” of the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

From time to time, we may be involved in legal proceedings or subject to claims incident to the ordinary course of business. The outcome of litigation is inherently uncertain, and there can be no assurances that favorable outcomes will be obtained. In addition, regardless of the outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors.

Item 1A. Risk Factors

Below we are providing, in supplemental form, changes to our risk factors from those previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. Our risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 provide additional discussion regarding these supplemental risks and we encourage you to read and carefully consider all of the risk factors disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, together with the below, for a more complete understanding of the risks and uncertainties material to our business

Our stock price has recently fallen below the Nasdaq Capital Market’s minimum closing bid price requirement of $1.00 per share for 30 consecutive days. Our failure to meet Nasdaq’s continued listing standards could result in the delisting of our common stock from the Nasdaq Capital Market, which could have a material adverse effect on our financial condition, negatively impact the price of our common stock and could make it more difficult for holders of our common stock to sell their shares. We are not in compliance with the Nasdaq Capital Market $1.00 minimum bid price requirement and our failure to meet Nasdaq’s continued listing standards could result in the delisting of our common stock, negatively impact the price of our common stock and negatively impact our ability to raise additional capital.

Our common stock is currently listed on the Nasdaq Capital Market and is therefore subject to the continued listing requirements of the Nasdaq Capital Market, including requirements with respect to the market value of publicly held shares, market value of listed shares, minimum bid price per share, and minimum stockholder’s equity, among others, and requirements relating to board and committee independence. On March 27, 2024, we received written notice from the Listing Qualifications Department of The Nasdaq Stock Market notifying us that, for the preceding 30 consecutive business days, the bid price of the Company’s common stock had closed below the minimum $1.00 per share requirement for continued inclusion under Nasdaq Marketplace Rule 5550(a)(2) (the “Bid Price Rule”) and which provided us a grace period of 180 calendar days, or until September 23, 2024, to regain compliance with the minimum bid price requirement. We may achieve compliance during this 180-day period if the closing bid price of our common stock is at least $1.00 per share for a minimum of 10 consecutive business days before September 23, 2024. If we fail to regain compliance on or prior to September 23, 2024, we may be eligible for an additional 180 day compliance period.

Additionally, if we fail to comply with any other continued listing standards of Nasdaq, our common stock will also be subject to delisting. If that were to occur, our common stock would be subject to rules that impose additional sales practice requirements on broker-dealers who sell our securities. The additional burdens imposed upon broker-dealers by these requirements could discourage broker-dealers from effecting transactions in our common stock. This would significantly and negatively affect the ability of investors to trade our securities and would significantly and negatively affect the value and liquidity of our common stock. These factors could contribute to lower prices and larger spreads in the bid and ask prices for our common stock. If we seek to implement a reverse stock split in order to remain listed on the Nasdaq Capital Market, the announcement and/or implementation of a reverse stock split could significantly negatively affect the price of our common stock. For example, in January 2024 we implemented a 1-for-40 reverse stock split in order to regain compliance with the Bid Price Rule pursuant to a previously announced notice we received from the Nasdaq Listing Center in April 2023. Following the effectiveness of the January 2024 reverse stock split, our common stock experienced increased volatility and adverse effects to its trading price.
We intend to continue to actively monitoring the bid price for our common stock between now and September 23, 2024, and will consider available options to resolve the deficiency and regain compliance with the Bid Price Rule. However, there can be no assurance that we will regain compliance or otherwise maintain compliance with any of the other listing requirements. If our common stock were to be delisted from Nasdaq, trading of our common stock would most likely be conducted in the over-the-

counter market on an electronic bulletin board established for unlisted securities such as the OTC Markets or in the “pink sheets.” Such a downgrading in our listing market may limit our ability to make a market in our common stock and may impact purchases or sales of our securities.

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.

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

Item 6. Exhibits.

		Incorporation by Reference		
Exhibit No.	Description	Form	Exhibit No.	Filing Date
3.1	Amended and Restated Certificate of Incorporation	8-K	3.1	3/25/2021
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation	8-K	3.1	1/22/2024
3.3	Second Amended and Restated Bylaw of Nuvve Holding Corp.	8-K	3.1	12/5/2023
4.1	Form of Series A Warrant to Purchase Common Stock	S-1/A	4.9	1/26/2024
4.2	Form of Series B Warrant to Purchase Common Stock	S-1/A	4.10	1/26/2024
4.3	Form of Series C Warrant to Purchase Common Stock	S-1/A	4.11	1/26/2024
4.4	Form of Pre-Funded Warrant	S-1/A	4.12	1/26/2024
4.5	Form of Underwriter Warrant	S-1/A	4.13	1/26/2024
4.6	Form of Warrant Agency Agreement between the Registrant and Computershare Trust Company, N.A.	S-1/A	4.14	1/26/2024
10.1	Amended and Restated Employment Agreement with Gregory Poilasne, dated January 25, 2024	8-K#	10.1	1/26/2024
10.2	Amended and Restated Employment Agreement with Ted Smith, dated January 25, 2024	8-K#	10.2	1/26/2024
10.3	Amended and Restated Employment Agreement with David Robson, dated January 25, 2024	8-K#	10.3	1/26/2024
10.4	Settlement and Release Agreement, dated February 2, 2024, between the Company and Rhombus Energy Solutions.	10-K†	10.28	3/28/2024
31.1	Rules 13a-14(a) Certification of Chief Executive Officer	*		
31.2	Rules 13a-14(a) Certification of Chief Financial Officer	*		
32.1	Section 1350 Certification of Chief Executive Officer	+		
32.2	Section 1350 Certification of Chief Financial Officer	+		
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	+		
101.SCH	Inline XBRL Taxonomy Extension Schema Document	+		
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	+		
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	+		
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document	+		
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	+		
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	+		

* Filed herewith.
\+ Furnished herewith.
† Certain confidential information contained in this document, marked by [***], has been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because it is both (i) not material and (ii) the type of information that the registrant treats as private or confidential.
\# Management contract or compensatory plan, contract or arrangement

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

May 14, 2024

NUVVE HOLDING CORP.

By: /s/ Gregory Poilasne
Gregory Poilasne
Chief Executive Officer
(Principal Executive Officer)

By: /s/ David Robson
David Robson
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

RULE 13A-14(D) CERTIFICATION

I, Gregory Poilasne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of Nuvve Holding Corp.;

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 ineffectiveness 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 officers 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 controls over financial reporting.

Date: May 14, 2024

By: /s/ Gregory Poilasne
Gregory Poilasne
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

RULE 13A-14(D) CERTIFICATION

I, David Robson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of Nuvve Holding Corp.;

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 ineffectiveness 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 officers 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 controls over financial reporting.

Date: May 14, 2024

By: /s/ David Robson

David Robson
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report on Form 10-Q of Nuvve Holding Corp. (the “Company”) for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gregory Poilasne, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 14, 2024

By: /s/ Gregory Poilasne
Gregory Poilasne
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

**CERTIFICATIONS OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Nuvve Holding Corp. (the "Company") for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Robson, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date: May 14, 2024

By: /s/ David Robson
David Robson
Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)