

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 quarter ended March 31, 2026

☐ 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: 001-42884

APTERA MOTORS CORP.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

83-4079594

(I.R.S. Employer
Identification No.)

5818 El Camino Real
Carlsbad, California

(Address of principal executive offices)

92008

(Zip Code)

(858) 371-3151

(Issuer's telephone number)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class B Common Stock, par value \$0.0001 per share	SEV	The Nasdaq Capital Market

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

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

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

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

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

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

As of May 8, 2026, there were 24,627,694 Class B Common Stock, \$0.0001 par value issued and outstanding.

APTERA MOTORS CORP.
FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2026
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PART I - FINANCIAL INFORMATION

Item 1. Interim Financial Statements.

APTERA MOTORS CORP. CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited) (in thousands, except share and per share data)

	March 31, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 17,721	\$ 9,608
Prepays and other	492	511
Total current assets	18,213	10,119
Deposits and other long-term assets	1,050	1,139
Property and equipment, net	17,604	17,753
Right of use assets – operating lease, net	2,116	1,226
Total assets	<u>\$ 38,983</u>	<u>\$ 30,237</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 620	\$ 1,700
Accrued liabilities	2,308	2,538
Unearned reservation fees	4,083	4,077
Current portion of operating lease liabilities	1,099	1,156
Total current liabilities	8,110	9,471
Operating lease liabilities, net of current portion	1,214	311
Other long-term liabilities	15	15
Total liabilities	9,339	9,797
Commitments and contingencies (Note 3)		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value, 20,000,000 authorized; 0 and 0 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	-	-
Class A Common Stock, \$0.0001 par value, 190,000,000 shares authorized, 12,026,870 and 12,266,105 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	1	1
Class B Common Stock, \$0.0001 par value, 115,000,000 shares authorized, 24,573,741 and 15,718,440 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	3	2
Additional paid-in capital	361,153	341,887
Subscription receivables	-	(131)
Accumulated deficit	(331,513)	(321,319)
Total stockholders' equity	29,644	20,440
Total liabilities and stockholders' equity	<u>\$ 38,983</u>	<u>\$ 30,237</u>

See accompanying notes.

APTERA MOTORS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenues	\$ -	\$ -
Operating Expenses:		
General, selling, and administrative	4,427	7,948
Research and development	5,905	3,214
Total operating expenses	10,332	11,162
Operating loss	(10,332)	(11,162)
Other income	138	295
Net Loss	<u>\$ (10,194)</u>	<u>\$ (10,867)</u>
Weighted average loss per share of Class A and Class B common stock basic and diluted	<u>\$ (0.32)</u>	<u>(0.46)</u>
Weighted average shares outstanding of Class A and B common stock - basic and diluted	<u>32,145,836</u>	<u>23,377,204</u>

See accompanying notes.

APTERA MOTORS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share and per share data)
(Unaudited)

	Preferred Stock		Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Common Stock to be Issued (Subscriptions Receivable)	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance January 1, 2025	3,721,394	\$ -	18,486,999	\$ 2	4,877,990	\$ 1	\$ 304,584	\$ (281)	\$ (277,412)	\$ 26,894
Sale of common stock	-	-	-	-	30,990	-	1,056	193	-	1,249
Stock issuance costs	-	-	-	-	-	-	(99)	-	-	(99)
Shares issued for services	-	-	-	-	-	-	4,921	-	-	4,921
Stock based compensation	-	-	-	-	-	-	1,154	-	-	1,154
Net loss	-	-	-	-	-	-	-	-	(10,867)	(10,867)
As of March 31, 2025	3,721,394	\$ -	18,486,999	\$ 2	4,908,980	\$ 1	\$ 311,616	\$ (88)	\$ (288,279)	\$ 23,252
Balance January 1, 2026	-	\$ -	12,266,105	\$ 1	15,718,440	\$ 2	\$ 341,887	\$ (131)	\$ (321,319)	\$ 20,440
Sale of common stock and warrants, net of issuance costs	-	-	-	-	4,500,000	1	8,186	131	-	8,318
Exercise of warrants, net of issuance costs	-	-	-	-	4,064,580	-	7,724	-	-	7,724
Share conversions	-	-	(239,235)	-	239,235	-	-	-	-	-
Vesting of restricted stock units	-	-	-	-	51,486	-	-	-	-	-
Stock-based compensation	-	-	-	-	-	-	3,356	-	-	3,356
Net loss	-	-	-	-	-	-	-	-	(10,194)	(10,194)
As of March 31, 2026	-	\$ -	12,026,870	\$ 1	24,573,741	\$ 3	\$ 361,153	\$ -	\$ (331,513)	\$ 29,644

See accompanying notes.

APTERA MOTORS CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash Flows from Operating Activities		
Net loss	\$ (10,194)	\$ (10,867)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	187	135
Stock based compensation	3,356	6,075
Changes in operating assets and liabilities:		
Prepays and other	20	(245)
Deposits and other long-term assets	89	1,000
Accounts payable	(1,080)	231
Accrued liabilities and unearned reservation fees	(223)	147
Operating lease assets and liability, net	(45)	(35)
Net cash used in operating activities	(7,890)	(3,559)
Cash Flows from Investing Activities		
Purchase of property and equipment	(39)	(10)
Net cash used in investing activities	(39)	(10)
Cash Flows from Financing Activities		
Net proceeds from sale of common stock, warrants and exercise of warrants	16,042	1,155
Net cash provided by financing activities	16,042	1,155
Increase (decrease) in cash and cash equivalents	8,113	(2,414)
Cash and cash equivalents, beginning of period	9,608	13,160
Cash and cash equivalents, end of period	<u>\$ 17,721</u>	<u>\$ 10,746</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 7</u>	<u>\$ 3</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>
Non-cash investing and financing activities:		
Increase to right-of-use asset and lease liability from lease extension	<u>\$ 1,123</u>	<u>\$ -</u>
Subscriptions receivable	<u>\$ -</u>	<u>\$ 88</u>

See accompanying notes.

APTERA MOTORS CORP.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION AND BUSINESS

Aptera Motors Corp. (“Aptera” the “Company,” “we,” “us” or “our” and similar terms refers to Aptera Motors Corp. and its subsidiaries unless the context otherwise requires) was incorporated on March 4, 2019 (“Inception”) in the State of Delaware. The Company is developing a solar electric vehicle focused on efficiency. In September 2023, the Company established the subsidiary company Aptera Motors Italia Srl, based in Modena, Italy.

Risks and Uncertainties

Our business is highly sensitive to domestic and global economic and business conditions as well as local, state, and federal government policy decisions. Several factors beyond our control could cause material fluctuations in our business and financial condition. In addition, we require a significant amount of capital to fund vehicle manufacturing, have a limited operating history and operate with small management and development teams that contain key employees. We also face significant barriers to market entry and competing technologies. At times, we have experienced constraints and volatility in our supply chain that resulted in increased costs to us. Furthermore, we are affected by uncertain regulatory conditions, fluctuations in demand, and inflation in production and shipping costs. These conditions could affect the volatility of our business, our financial condition and our results of operations.

Going Concern and Management’s Plans

We have incurred losses from operations since inception and have not generated any revenue to date. We expect to incur significant costs associated with vehicle development, testing, and the commencement of production before generating revenue. As of March 31, 2026, our existing cash and cash equivalents were not sufficient to fund our current operations for the next twelve months. These factors, among others, raise substantial doubt about our ability to continue as a going concern.

Management is executing a multi-phased financial strategy to address our liquidity needs and fund our path to production. Significant milestones achieved include:

- **Nasdaq Direct Listing:** On October 16, 2025, our Class B Common Stock commenced trading on the Nasdaq Capital Market under the ticker symbol “SEV,” providing a platform for broader access to public capital markets.
- **Equity Line of Credit (“ELOC”):** In October 2025, we entered into a share purchase agreement providing a committed \$75 million equity line of credit. Between mid-November and December 2025, we successfully utilized this facility to raise approximately \$3.0 million in gross proceeds.
- **January 2026 Capital Raise:** In January 2026, the Company successfully raised an additional \$9 million (\$8.2 million, net of direct offering expenses) through the issuance of common stock and warrants.
- **March 2026 Warrant Exercises:** During the first quarter of 2026, the Company received aggregate gross cash proceeds of approximately \$8.1 million from warrant exercises, which included a \$6.3 million warrant inducement transaction completed on March 12, 2026.

Our ability to continue as a going concern is dependent on our ability to obtain sufficient funding by accessing the remaining capacity under our \$75 million ELOC and raising additional capital through public or private markets. Following the successful capital raises in early 2026, management estimates that an additional \$45 million to \$50 million is required to fund the initial low-volume production phase of our Carlsbad facility.

While management believes our access to the public markets and the ELOC provide a viable path to necessary liquidity, there is no guarantee that we will be able to draw down sufficient amounts or secure additional financing on favorable terms. If we are unable to obtain adequate financing, we may be required to implement significant cost-cutting measures or significantly curtail our operations. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2 – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements included herein have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). The condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted as permitted by such rules and regulations; however, the Company believes the disclosures are adequate to make the information presented not misleading.

The interim financial information is unaudited, but reflects all normal recurring adjustments that are, in the opinion of management, necessary to fairly present the information set forth herein. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025 included in Form 10-K recently filed with the SEC. Interim results are not necessarily indicative of the results expected for the full year.

The Company operates as a single reportable segment focused on the development of solar electric vehicles. The Co-Chief Executive Officers review consolidated financial information to assess performance and allocate resources.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting periods. We use historical and other pertinent information to determine those estimates. Actual results could materially differ from these estimates.

Reverse Stock Split

The accompanying condensed consolidated financial statements and related notes have been retroactively restated to reflect a 1-for-3 reverse stock split of the Company’s common stock effected on August 5, 2025.

Fair Value of Financial Instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants as of the measurement date. Applicable accounting guidance provides an established hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in valuing the asset or liability and are developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company’s assumptions about the factors that market participants would use in valuing the asset or liability. There are three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2—Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair-value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of the balance sheet dates.

The following are the classes of assets and liabilities measured at fair value:

Description	As of March 31, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market fund	\$ 10,764	\$ -	\$ -	\$ 10,764
Total	\$ 10,764	\$ -	\$ -	\$ 10,764

Description	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Money market fund	\$ 4,799	\$ -	\$ -	\$ 4,799
Total	\$ 4,799	\$ -	\$ -	\$ 4,799

As of March 31, 2026 and December 31, 2025, the respective carrying value of cash and cash equivalents, receivables, other current assets, accounts payable, unearned reservation fees and short-term debt approximated their fair values.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. As of March 31, 2026 and December 31, 2025, cash and cash equivalents contained \$4.1 million of unearned refundable customer reservation fees.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Computers, hardware and software	3 years
Leasehold improvements	shorter of remaining lease term or 5 years
Research and development equipment	5 years
Other equipment	5 years

Long-Lived Assets

Long-lived assets, such as property, plant and equipment and operating lease assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for potential impairment, we first compare undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent the carrying amount of the underlying asset exceeds its fair value.

Unearned Reservation Fees

Unearned reservation fee liabilities are recorded based on all funds we expect to collect on each transaction, including merchant processor fees charged. We maintain a separate money market account for all customer reservation fees collected.

Leases

The Company recognizes all operating leases on the condensed consolidated balance sheets at the commencement date. This includes:

- A right-of-use (ROU) asset representing the right to use the leased asset.
- A lease liability representing the future lease payments discounted to present value.

Lease expense is recognized on a straight-line basis over the lease term, reflecting the benefit of using the leased asset. Our assessed lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option.

We recognize a ROU asset at the commencement of an operating lease, representing the right to use the leased asset. The ROU asset is initially measured at the present value of the non-cancellable lease payments, including any initial direct payments. The ROU asset is depreciated over the lease term, using the same depreciation method and useful life as the underlying leased asset, or if not readily determinable, using a straight-line method over the lease term.

We recognize a lease liability at the commencement of an operating lease, representing the obligation to make lease payments. The lease liability is initially measured at the present value of the non-cancellable lease payments, less any initial direct payments. The lease liability is subsequently remeasured to reflect the present value of the remaining lease payments using the lessee's incremental borrowing rate at the initial recognition date or the subsequent remeasurement date, if applicable. Interest expense is recognized on the lease liability using the effective interest method.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount within a range of loss can be reasonably estimated. When no amount within the range is a better estimate than any other amount, we accrue for the minimum amount within the range. Legal costs incurred in connection with loss contingencies are expensed as incurred.

We regularly enter into purchase obligations with vendors and service providers, which represent expected payments and commitments during the normal course of our business. These purchase obligations are generally cancellable with or without notice and without penalty, although certain vendor agreements provide for cancellation fees or penalties. As of March 31, 2026 and December 31, 2025, we had approximately \$2.2 and \$2.1 million in open purchase orders, respectively.

Revenue Recognition

To date, the Company has not generated any revenue from operations. The Company is currently in the pre-production development, testing and validation stage.

The Company expects to recognize revenue upon the delivery of its product to customers.

The Company's ability to generate revenue is subject to various risks and uncertainties, including successful product development, market acceptance and regulatory approvals. These factors could materially impact the timing and amount of future revenue recognized by the Company.

Key Considerations for Future Revenue Recognition:

- Performance obligations: The Company will assess its contracts with customers to identify the distinct performance obligations and allocate the transaction price accordingly.
- Variable consideration: If applicable, the Company will estimate the amount of variable consideration to which it is entitled based on the probability-weighted approach.
- Right of return: If customers have a right to return products, the Company will recognize a refund liability and adjust revenue accordingly.
- Principal versus agent: The Company will determine whether it acts as a principal or an agent in its transactions, which will impact the presentation of revenue in the financial statements.

The Company will continue to evaluate its revenue recognition policies and procedures as its business evolves and will make any necessary disclosures in future financial statements.

Advertising Costs

The Company expenses advertising and promotional costs as incurred. Advertising costs are included within selling, general, and administrative expenses in the accompanying consolidated statements of operations. Advertising expenses were \$0.15 million and \$0.41 million for the three months ended March 31, 2026 and 2025, respectively.

Income Taxes

The Company provides for income taxes using the asset and liability approach. As of March 31, 2026, the Company continues to maintain a full valuation allowance against its net deferred tax assets, as management believes it remains more likely than not that they will not be realized. There have been no material changes to the Company's liability for uncertain tax positions since December 31, 2025.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all stock-based awards, including stock options and restricted stock units ("RSUs"), granted to employees, directors, and non-employees based on their estimated grant-date fair value.

- **Stock Options:** The fair value of stock options is estimated at the date of grant using the Black-Scholes option-pricing model.
- **Restricted Stock Units:** The fair value of RSUs is determined based on the closing market price of the Company's Class B Common Stock on the date of grant.

The Company accounts for forfeitures as they occur. Accordingly, compensation expense is recognized only for awards that ultimately vest. Forfeitures are recognized in the period in which they occur, and no estimations or adjustments are made for anticipated forfeitures.

Research and Development

Research and development costs are expensed as incurred and represent costs incurred to further new technologies, product design and technical capabilities.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentration of credit risk are cash, cash equivalents, and restricted cash. We hold cash in domestic financial institutions that are federally insured within statutory limits. At times, deposits exceed federally insured limits.

Concentration of Supply Risk

The Company is dependent on a few suppliers for capital equipment, the majority of which are single-source suppliers, and the inability of these suppliers to deliver necessary equipment and components of its products according to the schedule and at prices, quality levels and volumes acceptable to the Company, or its inability to efficiently manage these components, could have a material adverse effect on the Company's results of operations and financial condition.

Loss Per Share

We compute net loss per share of Class A and Class B Common Stock using the two-class method. Basic net loss per share is computed using the weighted-average number of shares outstanding during the period. Diluted net loss per share is computed using the weighted-average number of shares and the effect of potentially dilutive securities outstanding during the period. For periods in which we incur a net loss, the effects of potentially dilutive securities would be antidilutive and would be excluded from diluted calculations. Dilutive securities consist of Preferred Stock, restricted stock units, stock options and warrants issued under the Company's Equity Incentive Plans.

Potentially dilutive securities outstanding were as follows:

	March 31, 2026	March 31, 2025
Preferred stock	-	3,721,394
Restricted stock units	402,498	-
Stock options	6,440,255	3,678,890
Warrants	6,188,337	868,167
Potentially dilutive securities	<u>13,031,090</u>	<u>8,268,451</u>

For the three months ended March 31, 2026 and 2025, we incurred a net loss for which the effects of our potentially dilutive securities would be antidilutive and are therefore excluded from diluted net loss per share calculations.

The following table sets forth the computation of basic net loss per share of Class A and Class B stock (in thousands, except per share amounts):

	Three Months Ended March 31,			
	2026		2025	
	Class A	Class B	Class A	Class B
Numerator:				
Allocation of losses	\$ (3,874)	\$ (6,320)	\$ (8,594)	\$ (2,273)
Denominator:				
Weighted average shares outstanding	12,215,600	19,930,236	18,486,999	4,890,205
Basic net loss per share	<u>(0.32)</u>	<u>(0.32)</u>	<u>(0.46)</u>	<u>(0.46)</u>

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)*, which requires public business entities to disclose specific natural expense categories within relevant expense captions. The standard is effective for annual reporting periods beginning after December 15, 2026. The Company is currently evaluating the impact of this standard on its financial statement disclosures.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which is intended to improve the guidance in Topic 270 by enhancing the navigability of required interim disclosures and clarifying the applicability of the guidance. The update also introduces a disclosure principle requiring the disclosure of events occurring since the end of the most recent annual reporting period that have a material impact on the entity. For the Company, the standard is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of this standard on its financial statement disclosures.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

Litigation and Regulation

Various aspects of our business and service areas are subject to U.S. federal, state, and local regulation, as well as regulation outside the United States. The Company is also subject to legal proceedings which arise in the ordinary course of business.

In August 2024, Zaptera USA, Inc. (“Zaptera”) filed a complaint against Aptera Motors Corp. in the U.S. District Court for the Southern District of California alleging design patent infringement, misappropriation of trade secrets, and declaratory judgment of patent ownership, among other claims.

In April 2026, the Company entered into a settlement agreement with Zaptera. Pursuant to the terms of the settlement, the Company agreed to issue 105,000 shares of Class B Common Stock and warrants to purchase up to 210,000 shares of Class B Common Stock at an exercise price of \$2.78 expiring on April 8, 2029. As a result of the settlement, the Company accrued liability and recognized litigation expense equivalent to the estimated fair value of the settlement of approximately \$0.6 million as of March 31, 2026 which is included in “Accrued liabilities” in the condensed consolidated balance sheets and “General, selling, and administrative” in the condensed consolidated statements of operations. On April 9, 2026, all claims related to the action were dismissed with prejudice.

In January 2025, the Company received a subpoena for documents from the staff of the Securities and Exchange Commission (SEC) related to its securities offerings and the production, design, and manufacture of our vehicles. This subpoena is part of an ongoing SEC investigation. The Company continues to cooperate fully with the investigation and is continuing to produce documents in response to the subpoena and subsequent requests.

The SEC has informed us that the investigation does not mean that it has concluded that anyone has violated the law and that the receipt of the subpoena does not mean that the SEC has a negative opinion of any person, entity, or security. However, the Company can offer no assurances as to the timing, outcome or potential effect, if any, of this ongoing investigation. Responding to the subpoena and related requests continues to require the dedication of management time and attention and has resulted, and may continue to result, in the incurrence of significant expenses, including legal and other professional services fees.

NOTE 4 – LEASES

The Company leases approximately 77,000 rentable square feet of office, manufacturing, and assembly space at its principal facility in Carlsbad, California.

During the three months ended March 31, 2026, the Company executed an amendment to extend the lease term for this facility by an additional twelve months, establishing a new expiration date of March 31, 2028. The amendment established a revised monthly base rent of approximately \$106,000 during the extension period and eliminated the Company’s previously existing options to extend the lease for two additional 60-month periods. Additionally, the amendment stipulates that \$0.7 million of the Company’s existing security deposit will be applied toward monthly base rent payments commencing April 1, 2027, reducing the held deposit to \$0.3 million over time.

As a result of this lease modification, the Company remeasured its lease liability and corresponding right-of-use (ROU) asset based on an updated incremental borrowing rate of 9.75%. This remeasurement resulted in an increase of \$1.1 million to both the operating lease ROU asset and operating lease liability.

The following table presents supplemental information related to the Company’s operating lease:

	As of March 31, 2026	As of December 31, 2025
Supplemental lease information:		
Weighted average remaining lease term (in years)	2.0	1.25
Weighted average discount rate	9.75%	8.30%

Maturities of operating lease liabilities as of March 31, 2026, are as follows:

The following table summarizes the annual contractual maturities of operating lease liabilities (in thousands):

	As of March 31, 2026
2026 (remaining 9 months)	\$ 950
2027	1,268
2028	316
Total minimum lease payments	2,534
Imputed interest	(221)
Present value of lease liabilities	<u>\$ 2,313</u>

The Company recorded \$0.3 million as operating lease expense for the three months ended March 31, 2026 and 2025, respectively. This expense is allocated to “General, selling, and administrative” and “Research and development” expenses in the condensed consolidated statements of operations.

NOTE 5 – STOCKHOLDERS' EQUITY

Common Stock

The Company's authorized capital stock includes Class A Common Stock and Class B Common Stock. The rights of the holders of both classes are identical, including rights to dividends and distributions upon liquidation, except with respect to voting and conversion. Holders of Class A Common Stock are entitled to one vote per share on all matters submitted to a vote of stockholders, while holders of Class B Common Stock are not entitled to voting rights, except as required by applicable law. Additionally, each share of Class A Common Stock is convertible at any time, at the option of the holder, into one share of non-voting Class B Common Stock on a one-for-one basis.

January 2026 Public Offering

On January 26, 2026, the Company closed a registered public offering, issuing 4,500,000 shares of Class B common stock and accompanying common stock warrants to purchase up to 4,500,000 shares of Class B common stock ("Existing Warrants"). The combined public offering price was \$2.00 per share and accompanying warrant, resulting in gross proceeds of approximately \$9.0 million, before deducting placement agent fees and other offering expenses of approximately \$0.8 million. The warrants were issued with an exercise price of \$2.00 per share, became exercisable immediately, and expire five years from the issuance date.

March 2026 Warrant Inducement

On March 12, 2026, the Company entered into a warrant inducement agreement with certain holders of the warrants previously issued in the January 2026 public offering. Pursuant to the agreement, the holders exercised Existing Warrants to purchase 3,167,500 shares of Class B common stock for gross cash proceeds of approximately \$6.3 million, before deducting placement agent fees and other offering expenses of approximately \$0.4 million. As consideration for the immediate cash exercise of these warrants, the Company issued new, unregistered warrants to purchase up to 4,751,250 shares of Class B common stock ("New Warrants"). The New Warrants have an exercise price of \$3.50 per share, are immediately exercisable, and expire five years from the date of issuance.

The Company estimated the fair value of the New Warrants and the Existing Warrants tendered for exercise on the modification date using the Black-Scholes-Merton option pricing model, with an underlying stock price of \$2.68 (the closing price of the Company's Class B Common Stock on the modification date), expected volatility of 90.37% (based on the historical volatility of a peer group of publicly traded companies), a risk-free interest rate of 3.88% (based on the U.S. Treasury constant-maturity yield commensurate with the expected term), an expected dividend yield of 0%, and an expected term equal to the remaining contractual life of each instrument (5.00 years for the New Warrants and 4.87 years for the Existing Warrants). The aggregate fair value of the 4,751,250 New Warrants at issuance was approximately \$8.6 million, and the aggregate fair value of the 3,167,500 Existing Warrants immediately before exchange was approximately \$6.4 million. The resulting inducement consideration of approximately \$4.4 million was recognized as a non-cash equity issuance cost. As both warrant series were determined to be equity-classified, the inducement transaction had no net impact on total stockholders' equity and no impact on the condensed consolidated statement of operations for the three months ended March 31, 2026.

Warrant Activity

The following table summarizes the Company's warrant activity for the three months ended March 31, 2026:

	Warrants	Weighted average exercise price	Weighted Average remaining contractual term
Balance at December 31, 2025	<u>866,667</u>	\$ 15.36	8.6
Issued	9,386,250	2.77	4.9
Exercised	(4,064,580)	2.00	4.8
Expired	-	-	-
Outstanding and exercisable at March 31, 2026	<u>6,188,337</u>	5.09	5.5

Equity Line of Credit (ELOC)

In October 2025, the Company entered into a Share Purchase Agreement with New Circle Principal Investments LLC, providing the Company with the right, but not the obligation, to sell up to \$75.0 million of its Class B Common Stock over a 36-month period. Shares are sold at the Company's discretion at a purchase price based on the Volume Weighted Average Price (VWAP) during a specified pricing period, less a negotiated discount.

The Company's ability to access capital under the ELOC is subject to the following primary constraints:

- **Exchange Cap:** Total shares issued under the facility cannot exceed 19.99% of the shares outstanding as of October 13, 2025, unless stockholder approval is obtained or is not required under applicable Nasdaq rules.
- **Ownership Cap:** The investor cannot beneficially own more than 4.99% (or 9.99% upon notice) of the Company's outstanding Class B Common Stock at any given time.
- **Registration Requirement:** Accessing the facility requires the Company to maintain an effective resale registration statement covering the shares.

In connection with the January 2026 Public Offering, the Company's utilization of the ELOC became subject to a 45-day lock-up period, which expired on March 12, 2026. During the three months ended March 31, 2026, the Company did not sell shares of Class B Common Stock under the ELOC. As of March 31, 2026, \$72.0 million remained available for future utilization under the facility.

NOTE 6 – STOCK-BASED COMPENSATION

Equity Incentive Plans

The Company maintains the 2025 Omnibus Equity Incentive Plan (the "2025 Plan"), which allows for the grant of various equity-based awards to employees, officers, directors, and consultants. As of March 31, 2026, 11,258,775 shares of Class B Common Stock remained available for future issuance under the 2025 Plan. Although the 2021 Stock Option and Incentive Plan was terminated in October 2025, outstanding awards under that plan remain in effect according to their original terms.

Stock Option Activity

A summary of stock option activity for the three months ended March 31, 2026, is as follows (aggregate intrinsic values in thousands):

	Options	Weighted average exercise price	Aggregate Intrinsic value	Weighted average grant date fair value	Weighted average remaining contractual Term
Balance at December 31, 2025	<u>6,652,405</u>	\$ 15.54	-	\$ 14.13	7.72
Granted	-	-	-	-	-
Forfeited	-	-	-	-	-
Expired	(212,150)	13.96	-	22.92	-
Outstanding and expected to vest at March 31, 2026	<u>6,440,255</u>	15.59	-	13.84	7.72
Vested and exercisable at March 31, 2026	<u>3,503,314</u>	19.71		16.54	6.29

There were no options granted during the three months ended March 31, 2026 and 2025. The total fair value of stock options vested during the three months ended March 31, 2026 and 2025 was approximately \$2.4 million and \$0.9 million, respectively.

We estimate the fair value of the options utilizing the Black-Scholes option pricing model, which is dependent upon several variables, including expected option term, expected volatility of our share price over the expected term, expected risk-free interest rate, and the underlying estimated fair value of our common stock. There were no options issued during the three months ended March 31, 2026 and 2025.

The Company utilizes the Black-Scholes option-pricing model to estimate the fair value of stock options on the date of grant. The expected term is estimated using the simplified method, and expected volatility is based on the historical volatility of a peer group of publicly traded companies.

Restricted Stock Unit Activity

A summary of restricted stock unit activity for the three months ended March 31, 2026 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2025	381,414	\$ 5.10
Granted	43,197	4.63
Vested	(51,486)	4.94
Forfeited	-	-
Nonvested at March 31, 2026	373,125	5.51
Vested not yet issued at March 31, 2026	29,373	6.98

The total fair value of RSUs granted and vested during the three months ended March 31, 2026 was approximately \$0.2 million and \$0.2 million, respectively. There were no RSUs granted or vested during the three months ended March 31, 2025.

Allocation of Stock-based Compensation

The allocation of stock-based compensation expense was as follows (in thousands):

	For the three months ended March 31,	
	2026	2025
General, selling and administrative	\$ 1,340	\$ 5,287
Research and development	2,016	788
Total stock-based compensation	\$ 3,356	\$ 6,075

As of March 31, 2026, the total unrecognized compensation cost related to outstanding time-based options was \$31 million, which is expected to be recognized over a weighted-average period of 2.9 years.

NOTE 7 – SUBSEQUENT EVENTS

The Company evaluated subsequent events from the balance sheet date of March 31, 2026, through May 13, 2026, the date these condensed consolidated financial statements were issued. Material events include:

Zaptera Litigation Settlement

On April 8, 2026, the Company entered into a settlement agreement with Zaptera USA, Inc. Pursuant to the terms of the settlement, the Company agreed to issue 105,000 shares of Class B Common Stock and warrants to purchase up to 210,000 shares of Class B Common Stock. The approximately \$0.6 million settlement expense was accrued in the three months ended March 31, 2026.

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

References in this report (the “Quarterly Report”) to “we,” “us” or the “Company” refer to Aptera Motors Corp. References to our “management” or our “management team” refer to our officers and directors. The following discussion and analysis of the Company’s 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. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Special Note Regarding Forward-Looking Statements

This Quarterly Report includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act that are not historical facts and involve risks and uncertainties that could cause actual results to differ materially from those expected and projected. All statements, other than statements of historical fact included in this Form 10-Q including, without limitation, statements in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding the Company’s financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. Words such as “expect,” “believe,” “anticipate,” “intend,” “estimate,” “seek” and variations and similar words and expressions are intended to identify such forward-looking statements. Such forward-looking statements relate to future events or future performance, but reflect management’s current beliefs, based on information currently available. A number of factors could cause actual events, performance or results to differ materially from the events, performance and results discussed in the forward-looking statements. For information identifying important factors that could cause actual results to differ materially from those anticipated in the forward-looking statements, please refer to the Risk Factors section of the Company’s annual report on Form 10-K for the year ended December 31, 2025 filed with the U.S. Securities and Exchange Commission (the “SEC”). The Company’s securities filings can be accessed on the EDGAR section of the SEC’s website at www.sec.gov. Except as expressly required by applicable securities law, the Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

OVERVIEW

Aptera Motors Corp. is a public benefit corporation and development stage company focused on the development and commercialization of solar electric vehicles. In October 2025, the Company completed a direct listing of its Class B common stock on The Nasdaq Capital Market.

The Company has not commenced production or generated any revenue from the sale of its products. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which is dependent upon the Company obtaining additional financing and ultimately achieving profitable operations. To that end, in November 2025, we established an equity line of credit (“ELOC”) as a mechanism to incrementally access capital. We successfully utilized this ELOC between mid-November 2025 and January 2026 to raise approximately \$3.0 million. Furthermore, during the first quarter of 2026, we successfully raised an aggregate of approximately \$17.1 million in gross proceeds, consisting of \$9.0 million from a follow-on public offering in January 2026 and an additional \$8.1 million from subsequent warrant exercises, including a warrant inducement transaction completed in March 2026. This management’s discussion and analysis discusses the Company’s progress to date, its challenges, and its plans for the future, but should be read in conjunction with the consolidated financial statements and accompanying notes.

Aptera was formed as a Delaware corporation on March 4, 2019, and transitioned to a Delaware public benefit corporation in October 2025, for the purpose of engaging in the production of energy-efficient, solar-powered vehicles. We first began accepting \$100 reservations for our vehicle in December 2020 and as of March 31, 2026, we had approximately 49,000 reservation holders. We conducted two promotional programs that allowed investors to reserve priority reservations for initial customer vehicles. Under the first program, which ran from January 2023 through January 2024, the initial 2,000 delivery positions were offered through an auction process, resulting in an average investment exceeding \$20,000 per position. Under the second program, which was conducted from April to August 2025, an additional 1,000 delivery positions were made available to investors making minimum investments of \$5,000. We have not delivered any products to customers and have not recognized any revenue from the sale of vehicles.

During the past three years, we engaged with strategic partners to supply validated production parts, and we are currently executing our validation vehicle program. While we require substantial capital to commence commercial production, core physical assets—including our proprietary Body in Carbon (BinC) structural tooling and automated transport systems—are physically on-site and undergoing final engineering assessments. Alongside efforts to secure necessary financing, our current operational focus remains on completing this validation and durability testing process to ensure the reliability of our production-intent design. Our marketing team is expected to engage with the public to educate them on our brand proposition, expand our reservation backlog, and optimize our initial production mix. As a result of these activities, the Company expects to continue to experience increased spending on production equipment and tooling.

Our production timeline has evolved and remains heavily dependent on our ability to secure sufficient capital in substantial tranches. This shift to larger funding rounds is necessary to allow us to place large-scale purchase orders and fulfill supplier commitments for our finalized production tooling. Our production plan for our Carlsbad facility is phased. The initial “low-volume” production phase requires an estimated \$45 million to \$50 million in capital to fund the remaining necessary tooling and validation programs. Following the initiation of low-volume production, a second phase to ramp to high-volume production (a target rate of approximately 20,000 vehicles per year, which we believe is our current facility’s maximum capacity based on consultations with Munro & Associates) would require an estimated additional \$140 million to \$160 million. Until the necessary funding for a given production phase is secured, we are unable to predict if and when that phase of production will commence, and our previously anticipated timelines are no longer indicative of our current expectations.

Commencing production also depends on key factors beyond funding, including:

- **Availability of resources:** Production is contingent on the availability of materials, components, manufacturing facilities, and an uninterrupted supply chain.
- **Addressing technical challenges:** We may encounter further technical challenges during our validation programs that require redesign, mechanical modification, or alternative sourcing of components.
- **Meeting regulatory requirements:** We must meet all necessary safety and regulatory requirements to certify our vehicles.

Historically, we have experienced challenges in raising capital in the amounts needed to fully fund our operations, and we have faced production delays due to financial constraints, supply chain disruptions, technological challenges, and regulatory requirements. While we currently do not anticipate any major supply chain disruptions, changes in global trade policies, including the imposition of new tariffs or changes to existing tariffs, could impact the cost and availability of components and materials, potentially affecting our production timelines and profitability. We have experienced price fluctuations for vehicle components and labor in the past, which have led to increased costs and negatively affected our results of operations.

We are actively working to address these challenges through our direct listing, recent capital raises, and utilization of our ELOC (subject to lock-up periods and facility limitations). We will provide further updates on our progress as we achieve significant milestones. However, we cannot assure you that we will be successful in securing the remaining necessary funding, overcoming technical challenges, or meeting regulatory requirements on a timely basis, or at all.

Operating Expenses

General, Selling and Administrative

General, selling and administrative expenses consist of administrative, compliance, legal, investor relations, financial operations, and information technology services. They include related department salaries, office expenses, meals and entertainment costs, software/applications for operational use, and other general and administrative expenses, including but not limited to technology subscriptions and travel expenses. These expenses account for a significant portion of our operating expenses.

Research and Development

We spend significant resources on engineering, tooling and design capabilities, which are classified as research and development expenses. Research and development expenses consist primarily of personnel costs, materials to build prototype and validation vehicles, specialized out-sourced engineering services, facilities and software licenses.

Results of Operations

Comparison of the results of operations for the three months ended March 31, 2026 and March 31, 2025

General, Selling and Administrative Expenses

(in thousands)	For the three months ended March 31, (in thousands)			
	2026	2025	\$ Change	% Change
Stock-based compensation	\$ 1,340	\$ 5,287	\$ (3,947)	(75)%
Corporate and overhead expenses	3,038	2,619	419	16%
Depreciation	49	42	7	17%
Selling, general and administrative	\$ 4,427	\$ 7,948	\$ (3,521)	(44)%

The decrease in selling, general and administrative expenses was primarily driven by a \$3.9 million net reduction in stock-based compensation. This consisted of a \$4.8 million decrease in equity-based advisory fees issued to non-employees, partially offset by a \$1.1 million increase in employee share-based compensation. Additionally, advertising and marketing expenditures decreased by \$0.3 million, reflecting a targeted reallocation of capital toward vehicle validation and production readiness.

These decreases were partially offset by a \$0.4 million increase in costs associated with our transition to a publicly traded company, including compliance and directors' and officers' liability insurance premiums. Furthermore, legal expenses increased by \$0.3 million, primarily associated with the accrued expenses from the April 2026 settlement of the Zaperta intellectual property matter and costs related to the ongoing SEC matter (*see Part II, Item 1. Legal Proceedings*).

Historically, we have tightly managed our administrative footprint by utilizing third-party consultants and outsourced professional services. As we transition toward final vehicle validation and commercial production, we expect to shift away from certain outsourced arrangements and bring more administrative and operational resources in-house on a full-time basis. To support this growth while prioritizing the allocation of cash toward production readiness, we have increasingly utilized equity-based remuneration. This includes a transition to settling all Board of Director compensation and executive bonuses in stock, as well as the broader use of long-term restricted stock unit awards. While we expect this strategy to preserve capital liquidity, it will result in elevated non-cash share-based compensation expense in future periods.

Consequently, we anticipate that our baseline selling, general and administrative expenses will increase as we scale. Furthermore, we expect to incur sustained, incremental expenses related to operating as a public company, including elevated legal, accounting, insurance, and investor relations costs. Additionally, in connection with our ongoing efforts to remediate the material weakness in internal control over financial reporting identified at year-end, we expect to incur near-term increases in professional fees and personnel costs as we implement enhancements to our control environment.

Research and Development Expenses

(in thousands)	For the three months ended March 31, (in thousands)			
	2026	2025	\$ Change	% Change
Engineering, design and development	\$ 3,751	\$ 2,333	\$ 1,418	61%
Stock-based compensation	2,016	788	1,228	156%
Depreciation	138	93	45	48%
Research and Development	\$ 5,905	\$ 3,214	\$ 2,690	84%

The increase in research and development expenses was primarily driven by higher stock-based compensation expense, which increased \$1.2 million. We strategically used equity-based compensation—including stock-settled bonus payments and long-term restricted stock unit (RSU) awards—in lieu of cash, designed to preserve our capital liquidity while remaining highly competitive in talent acquisition and retention.

Other engineering, design, and development expenses accounted for the remainder of the variance. This was primarily driven by a \$0.7 million increase in cash personnel costs resulting from strategic engineering headcount additions to support our vehicle validation and production program. Additionally, materials and supplies expense related to validation testing increased by \$0.5 million, alongside a \$0.2 million aggregate increase in engineering software licenses, computer equipment, and third-party contractors necessary to equip the expanded team. These increases were partially offset by a \$0.04 million decrease in prototype tooling expenses, reflecting the maturation of our design phase.

As we continue to advance toward commercial production, our overarching objective is to allocate the maximum amount of available capital directly to vehicle validation, safety testing, and production readiness. To support this objective while protecting our liquidity, we expect to continue utilizing equity-based compensation as a core component of our remuneration strategy for engineering and technical staff. We anticipate that our baseline research and development expenses will remain elevated in the near term as we finalize pre-production milestones. Upon the commencement of commercial production, we expect certain engineering and manufacturing personnel costs to be capitalized into inventory and subsequently recognized as cost of goods sold.

Other Income

Other income was \$0.1 million for the three months ended March 31, 2026, compared to \$0.3 million for the three months ended March 31, 2025. The decrease of \$0.2 million was primarily due to lower grant reimbursement income from our California Energy Commission grant.

Net Loss

As a result of the foregoing, the Company's net loss for the three months ended March 31, 2026 was \$10.2 million compared to \$10.9 million for the three months ended March 31, 2025.

Liquidity and Capital Resources

As of March 31, 2026, the Company had \$39.0 million in total assets. Our primary source of liquidity at that date was \$17.7 million in cash and cash equivalents. We did not have a recognized grant funds receivable balance as of March 31, 2026, as management maintains a full allowance against the remaining \$0.7 million balance due to uncertainties regarding the timing of the capital raises required to trigger those reimbursements.

Our current baseline operational cash burn rate, covering essential personnel, ongoing regulatory compliance, and fixed costs, is approximately \$1.7 to \$2.0 million per month. This baseline burn rate remained elevated during the first quarter of 2026 due to significant expenses associated with operating as a publicly traded company, costs related to our Class B common stock offerings, and legal and other professional fees related to the SEC Investigation and the Zaptera settlement. Such costs are difficult to predict with certainty but are expected to continue to be material in the near term.

Our existing cash and cash equivalents are not sufficient to fund our baseline operations for the next twelve months, nor are they sufficient to advance our vehicle production business plan. These factors continue to raise substantial doubt about our ability to continue as a going concern.

Management's plan to address the Company's liquidity needs and fund operations over the next twelve months relies primarily on accessing capital through the ELOC and potentially through other public market financings.

During the three months ended March 31, 2026, net cash used in operating activities was \$7.9 million, compared to \$3.6 million for the same period in 2025. This increase in operating cash usage was driven not only by the elevated professional fees noted above, but primarily by strategic cash investments in parts, materials, and supplies necessary to advance our vehicle validation and production readiness, as well as a reduction in accounts payable.

To fund these operations and investments, net cash provided by financing activities was \$16.0 million during the first quarter of 2026. This was the result of two key financing transactions. On January 26, 2026, we closed a registered public offering, issuing 4,500,000 units (each consisting of one share of Class B common stock and one accompanying warrant) for gross proceeds of \$9.0 million. Furthermore, we received an additional \$8.1 million in aggregate gross proceeds from warrant exercises during the quarter, which included a \$6.3 million warrant inducement transaction completed in March 2026.

We estimate that we will require an additional \$45 million to \$50 million to complete vehicle validation and prepare for low-volume production—including increased spending on engineering, validation, testing, production tooling, and the hiring of additional sales, marketing, and administrative personnel. We expect that the associated work would take approximately 12 months to complete from the time such capital is fully secured. While the commencement of the 12 month final production timeline requires securing this capital in substantial tranches, we are proactively deploying current liquidity to procure critical long-lead components and advance validation milestones to compress this timeline where possible. The ELOC provides a potential mechanism to access capital incrementally, subject to the conditions and limitations previously described. Our ability to effectively utilize the ELOC is highly dependent on the trading volume and market price of our Class B common stock.

As an additional source of potential near-term liquidity, of our total outstanding warrants as of March 31, 2026, approximately 5.2 million are exercisable for cash. If these specific warrants are fully exercised, they would generate up to \$17.5 million in additional gross proceeds. This includes 4.75 million warrants issued in connection with our March 2026 inducement transaction which have exercise prices of \$3.50. While these warrants represent a meaningful potential cash catalyst, any future proceeds are entirely dependent upon the holders' discretionary election to exercise, which is inherently tied to the market performance of our Class B common stock.

Our awarded \$21.9 million grant from the CEC remains a component of our potential future liquidity. Through March 31, 2026, we have received approximately \$3.2 million in cash disbursements. We anticipate receiving further portions of the grant only if we are able to secure sufficient financing to make the eligible expenditures and meet the project milestones.

Long-Term Cash Requirements

Beyond our immediate capital needs to commence low-volume production, our long-term business plan requires us to raise substantial additional capital for future growth and operational expansion. Our material cash requirements beyond the next 12 months are expected to include, but are not limited to, the following:

- **Scaling to High-Volume Production:** We estimate needing \$140 million to \$160 million to fully equip our current Carlsbad facility and scale our manufacturing process to achieve our high-volume production target of 20,000 vehicles per year. This includes significant investment in additional automation, assembly line equipment, and quality control systems and is in addition to the \$45 million to \$50 million necessary to fund the remaining tooling and validation programs mentioned above.
- **Future Manufacturing Capacity:** To meet our longer-term production targets that exceed the capacity of our current facility, we expect to require additional manufacturing capacity. This may involve securing or constructing new, larger facilities, which would represent a material future capital expenditure, the cost and timing of which has not yet been determined.
- **Expansion of Sales and Service Infrastructure:** Our anticipated direct-to-consumer model will require significant investment to scale nationally. We expect to need to fund the establishment of regional pre-delivery and service centers, as well as expand our fleet of mobile service vehicles to support our customers and/or form relationships with third party vendors to provide this level of service.
- **Research and Development:** To maintain our competitive advantage, we intend to continue investing in research and development. This includes developing future vehicle models, enhancing our proprietary solar and battery technology, and exploring other applications for our technology.
- **Working Capital:** As we begin and scale production, our need for working capital is expected to increase significantly. The cash required to fund raw materials, work-in-process, and finished goods inventory is expected to increase substantially as our production volume grows.
- **Public Company Costs:** We expect to continue to incur significant legal, accounting, and other expenses as a public company that we did not incur as a private company.

Our ability to fund these long-term requirements is dependent upon our ability to successfully utilize the ELOC, raise substantial additional capital through future equity or debt financings, and there can be no assurance that the ELOC will provide sufficient capital or that other financing will be available on favorable terms, or at all. Failure to obtain sufficient funding would materially adversely affect our business plan and our ability to continue as a going concern.

Liabilities

As of March 31, 2026, the Company's total liabilities were \$9.3 million. Major existing liabilities include \$2.3 million in accrued liabilities, \$4.1 million in unearned reservation fees, and \$2.3 million in operating lease liabilities.

Commitment and Contingencies

Leases

As of March 31, 2026, we leased approximately 77,000 square feet of office, manufacturing and assembly space at our principal facility in Carlsbad, California under an operating lease agreement that expires March 31, 2028. For the three months ended March 31, 2026, we recorded \$0.3 million of lease expense.

Purchase Orders

We regularly enter into purchase obligations with vendors and service providers, which represent expected payments and commitments during the normal course of our business. These purchase obligations are generally cancellable with or without notice and without penalty, although certain vendor agreements provide for cancellation fees or penalties. As of March 31, 2026, we had approximately \$2.2 million in open purchase orders.

Litigation and Regulation

Various aspects of our business and service areas are subject to U.S. federal, state, and local regulation, as well as regulation outside the United States.

As of the date of this Quarterly Report, the Company is responding to a subpoena related to an ongoing SEC Investigation and recently settled a pending lawsuit with Zaptera, as described below.

Zaptera

In August 2024, Zaptera USA, Inc. ("Zaptera") filed a complaint against Aptera Motors Corp. in the U.S. District Court for the Southern District of California alleging design patent infringement, misappropriation of trade secrets, and declaratory judgment of patent ownership, among other claims.

In April 2026, the Company entered into a settlement agreement with Zaptera. Pursuant to the terms of the settlement, the Company agreed to issue 105,000 shares of Class B Common Stock and warrants to purchase up to 210,000 shares of Class B Common Stock, resulting in a recognized litigation settlement charge of approximately \$0.6 million. On April 9, 2026, all claims related to the action were dismissed with prejudice.

SEC Investigation

In January 2025, we received a subpoena for documents from the staff of the SEC related to our securities offerings and the production, design, and manufacture of our vehicles (the "SEC Investigation"). This subpoena is part of the ongoing SEC Investigation. We are cooperating fully with the investigation and are producing documents in response to the subpoena.

The SEC has informed us that the investigation does not mean that it has concluded that anyone has violated the law and that the receipt of the subpoena does not mean that the SEC has a negative opinion of any person, entity, or security. However, we cannot provide any assurances as to the outcome of this investigation or its potential effect, if any, on our Company.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (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 or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer (together, the “Certifying Officers”), or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Our Certifying Officers have concluded that our disclosure controls and procedures were not effective as of March 31, 2026, due to the material weaknesses in internal control over financial reporting described below.

As previously disclosed, in our annual report on Form 10-K for the year ended December 31, 2025, we identified two material weaknesses in our internal control over financial reporting (“ICFR”):

1. **Accounting for stock-based compensation** – deficiencies in the review, approval, and accounting for stock option modifications, which resulted in a restatement of our 2023 financial statements; and
2. **Lack of formalized accounting and financial reporting policies and procedures**, which contributed to inconsistent policy application and limited segregation of duties.

We have continued implementing our remediation plans to address these material weaknesses. Actions taken to date include:

- formalizing management and Board-level review and approval controls for all stock-based compensation modifications;
- developing and beginning implementation of a comprehensive accounting policies and procedures manual; and
- enhancing segregation of duties and management review processes within the finance function.

While significant progress has been made, management has not yet completed testing of the operating effectiveness of these new and enhanced controls. Accordingly, the material weaknesses have not been fully remediated, and our disclosure controls and procedures remain not effective as of March 31, 2026. We expect remediation efforts to continue through 2026 as we prepare for management’s first required assessment of ICFR effectiveness under Section 404(a) of the Sarbanes-Oxley Act for the fiscal year ending December 31, 2026.

We do not expect that our disclosure controls and procedures will prevent all errors or all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of such controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no system can provide absolute assurance that all control deficiencies and instances of fraud, if any, have been detected. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

Other than the remediation efforts described above, there were no changes in our internal control over financial reporting during the quarter ended March 31, 2026, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we might become involved in lawsuits, claims, investigations, proceedings, and threats of litigation relating to intellectual property, commercial arrangements and other matters arising in the ordinary course of our business. For information on our litigation matters, see “Litigation and Regulation” under Note 3 of the Notes to Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q, which is incorporated by reference herein.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this Quarterly Report include the risk factors described in our annual report on Form 10-K for the year ended December 31, 2025. As of the date of this Quarterly Report, there have been no material changes to the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

As previously disclosed in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the “2025 Form 10-K”), certain equity awards were granted to our named executive officers during fiscal year 2025 and were discussed in the narrative disclosure and summary compensation table accompanying the “Executive Compensation” section of the 2025 Form 10-K. However, certain awards were inadvertently omitted from the “Outstanding Equity Awards at 2025 Fiscal Year-End” table included therein.

The Company is providing the corrected “Outstanding Equity Awards at 2025 Fiscal Year-End” table below to reflect the complete outstanding equity award holdings of each named executive officer as of December 31, 2025. Other than the inclusion of the previously omitted awards, no changes have been made to the table or to any other disclosures in the 2025 Form 10-K. All other information previously reported in the 2025 Form 10-K, including the summary compensation table and narrative discussion of these awards, remains accurate and unchanged.

Name	Grant Date	Number of securities underlying unexercised options - (#) exercisable	Equity incentive plan awards: number of securities underlying unexercised unearned options (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested (\$)
Chris Anthony, Co-Chief Executive Officer and Interim Chief Financial Officer	7/28/21	180,000	—	\$ 11.40	7/28/31	—	—	—	—
	12/30/25		433,813	\$ 4.85	12/30/35	—	—	—	—
Steve Fambro, Co-Chief Executive Officer and Secretary	7/28/21	180,000	—	\$ 11.40	7/28/31	—	—	—	—
	12/30/25		433,813	\$ 4.85	12/30/35	—	—	—	—
Tom DaPolito, Interim Chief Financial Officer	11/4/23	1,469	—	\$ 31.50	11/1/33	—	—	—	—
	12/31/23	298	—	\$ 31.50	12/28/33	—	—	—	—
	9/6/24	502	—	\$ 31.50	9/4/34	—	—	—	—
	9/6/24	3,008	—	\$ 31.50	9/4/34	—	—	—	—
	4/15/25	3,447	—	\$ 31.50	4/13/35	—	—	—	—

4/15/25	30,000	—	\$	31.50	4/13/35	—	—	—	—
12/30/25		285,077	\$	4.85	12/30/35	—	—	—	—

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number		Incorporation by Reference			Exhibit Number
		Form	File Number	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Aptera Motors Corp.	8-K	001-42884	October 1, 2025	3.1
3.2	Amended and Restated Bylaws of Aptera Motors Corp.	8-K	001-42884	October 1, 2025	3.2
4.1	Form of Common Warrant	8-K	001-42884	January 26, 2026	4.1
4.2	Form of Placement Agent Warrant	8-K	001-42884	January 26, 2026	4.2
4.3	Form of Inducement Warrant	8-K	001-42884	March 12, 2026	4.1
10.1	Form of Securities Purchase Agreement	8-K	001-42884	January 26, 2026	10.1
10.2	Form of Placement Agency Agreement	8-K	001-42884	January 26, 2026	10.2
10.3	Form of Lock-Up Agreement	S-1	333-292655	January 9, 2026	10.19
10.4	Form of Inducement Agreement	8-K	001-42884	March 12, 2026	10.1
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002				
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS	Inline XBRL Instance 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 Label Linkbase Document.				
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).				

* Filed herewith.

** These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Management contract or compensatory plan 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.

APTERA MOTORS CORP.

Date: May 13, 2026

By: /s/ Chris Anthony

Name: Chris Anthony

Title: Co-Chief Executive Officer
(Principal Executive Officer)

Date: May 13, 2026

By: /s/ Tom DaPolito

Name: Tom DaPolito

Title: Interim Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Chris Anthony, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2026 of Aptera Motors 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)) 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. (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313)
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2026

/s/ Chris Anthony

Chris Anthony
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF INTERIM CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Tom DaPolito, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2026 of Aptera Motors 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)) 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. (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2026

/s/ Tom DaPolito

Tom DaPolito

Interim Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

**Certification 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**

This Certification is being filed pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002. This Certification is included solely for the purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose. In connection with the accompanying Quarterly Report on Form 10-Q for the quarter ended March 31, 2026 (the “Quarterly Report”) of Aptera Motors Corp. (the “Company”), the undersigned hereby certifies in his capacity as an officer of the Company that to such officer’s knowledge:

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

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

Dated: May 13, 2026

By: /s/ Chris Anthony

Chris Anthony
Chief Executive Officer
(Principal Executive Officer)

**Certification of Interim Chief Financial Officer Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

This Certification is being filed pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002. This Certification is included solely for the purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose. In connection with the accompanying Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, (the “Quarterly Report”) of Aptera Motors Corp. (the “Company”), the undersigned hereby certifies in his capacity as an officer of the Company that to such officer’s knowledge:

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

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

Dated: May 13, 2026

By: /s/ Tom DaPolito

Tom DaPolito

Interim Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)
