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, 2025

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: 001-34643

AYRO, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**98-0204758** (I.R.S. Employer Identification No.)
1185 Avenue of the Americas, New York, NY (Address of principal executive offices)	**10036** (Zip Code)

(512) 994-4917
(Registrant's telephone number, including area code)

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

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	AYRO	The NASDAQ Stock Market LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T 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 12, 2025, the registrant had 8,541,466 shares of common stock outstanding.

AYRO, INC.
QUARTER ENDED MARCH 31, 2025

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PART I - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)
AYRO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,818,283	$ 16,035,475
Restricted cash	109,215	164,682
Marketable securities	2,479,725	4,089,832
Prepaid expenses and other current assets	326,720	972,245
Total current assets	15,733,943	21,262,234
Operating lease – right-of-use asset	381,267	429,819
Deposits and other assets	39,962	46,665
Total assets	**$ 16,155,172**	**$ 21,738,718**
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,657,539	$ 1,863,045
Accrued expenses and other current liabilities	780,127	793,819
Accrued preferred stock redemption payable (H-7)	4,483,211	1,285,680
Current portion lease obligation – operating lease	226,614	219,085
Total current liabilities	7,147,491	4,161,629
Derivative liability	1,130,000	2,661,000
Warranty liability	1,282,300	2,362,900
Lease obligation - operating lease, net of current portion	224,425	283,742
Total liabilities	**9,784,216**	**9,469,271**
Mezzanine equity:		
Redeemable Series H-7 Convertible Preferred Stock ($0.0001 par value per share and $1,000 face value per share; authorized - 22,000 shares; issued and outstanding – 4,667 and 10,167 shares, at March 31, 2025 and December 31, 2024, respectively). Liquidation preference of $5,417,161 as of March 31, 2025.	3,364,603	7,587,518
Stockholders' equity:		
Preferred Stock, (authorized – 20,000,000 shares)	—	—
Series H Convertible Preferred Stock ($0.0001 par value per share; authorized – 8,500 shares; issued and outstanding – 8 shares as of March 31, 2025 and December 31, 2024, respectively) Liquidation preference of $1 as of March 31, 2025.	—	—
Convertible Preferred Stock Series H-3 ($0.0001 par value; authorized – 8,461 shares; issued and outstanding – 1,234 shares as of March 31 , 2025 and December 31, 2024, respectively) Liquidation preference of $66 as of March 31, 2025.	—	—
Series H-6 Convertible Preferred Stock ($0.0001 par value per share; authorized – 50,000 shares; issued and outstanding – 50 shares as of March 31, 2025 and December 31, 2024, respectively) Liquidation preference of $319 as of March 31, 2025.		
Common Stock ($0.0001 par value; authorized – 200,000,000 shares; issued and outstanding – 8,541,466 shares as of March 31, 2025, and December 31, 2024, respectively)	855	855
Additional paid-in capital	119,246,005	121,766,592
Accumulated deficit	(116,240,507)	(117,085,518)
Total stockholders' equity	3,006,353	4,681,929
Total liabilities, mezzanine equity and stockholders' equity	**$ 16,155,172**	**$ 21,738,718**

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

AYRO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2025	**2024**
Revenue	$ —	$ 58,351
Cost of goods sold	—	1,183,207
Gross loss	—	(1,124,856)
Operating expenses:		
Research and development	307,730	760,417
Sales and marketing	—	268,355
General and administrative	1,665,822	3,062,326
Total operating expenses	1,973,552	4,091,098
Loss from operations	(1,973,552)	(5,215,954)
Other income (expense):		
Interest income	26,240	153,298
Change in fair value - warrant liability	1,080,600	1,072,800
Change in fair value - derivative liability	1,531,000	9,000
Unrealized loss on marketable securities	(71,707)	(35,019)
Realized gain on marketable securities	211,062	377,123
Other income, net	41,368	—
Total other income, net	2,818,563	1,577,202
Net income (loss) prior to provision for income taxes	$ 845,011	$ (3,638,752)
Provision for income taxes	—	—
Net income (loss)	$ 845,011	$ (3,638,752)
Dividends earned on Series H-7 convertible preferred stock	(833,733)	(452,086)
Accretion of discounts to redemption value of Series H-7 convertible preferred stock	(1,686,854)	(3,095,473)
Net loss attributable to common stockholders	$ (1,675,576)	$ (7,186,311)
Net loss per share basic	$ (0.20)	$ (1.46)
Net loss per share diluted	$ (0.20)	$ (1.46)
Basic weighted average Common Stock outstanding	8,541,466	4,929,490
Diluted weighted average Common Stock outstanding	8,541,466	4,929,490

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

AYRO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY
(UNAUDITED)

Three Months Ended March 31, 2025

	Series H-7 Preferred Stock		Series H Preferred Stock		Series H-3 Preferred Stock		Series H-6 Preferred Stock		Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	(Deficit)	Total
Balance, January 1, 2025	10,167	$ 7,587,518	8	$ —	1,234	$ —	50	$ —	8,541,466	$ 855	$121,766,592	$(117,085,518)	$ 4,681,929
Preferred stock redemptions and conversions including cash premium	(5,500)	(6,404,587)	—	—	—	—	—	—	—	—	—	—	—
Deemed dividend	—	—	—	—	—	—	—	—	—	—	(338,915)	—	(338,915)
Preferred stock dividends	—	494,818	—	—	—	—	—	—	—	—	(494,818)	—	(494,818)
Accretion of discounts to redemption value of Series H-7 convertible preferred stock	—	1,686,854	—	—	—	—	—	—	—	—	(1,686,854)	—	(1,686,854)
Net income	—	—	—	—	—	—	—	—	—	—	—	845,011	845,011
Balance, March 31, 2025	**4,667**	**$ 3,364,603**	**8**	**$ —**	**1,234**	**$ —**	**50**	**$ —**	**8,541,466**	**$ 855**	**$119,246,005**	**$(116,240,507)**	**$ 3,006,353**

Three Months Ended March 31, 2024

	Series H-7 Preferred Stock		Series H Preferred Stock		Series H-3 Preferred Stock		Series H-6 Preferred Stock		Common Stock		Additional Paid-in	Accumulated	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Capital	(Deficit)	Total
Balance, January 1, 2024	22,000	$11,193,939	8	$ —	1,234	$ —	50	$ —	4,913,907	$ 492	$129,467,274	$(115,330,039)	$14,137,727
Stock based compensation	—	—	—	—	—	—	—	—	—	—	12,398	—	12,398
Vested restricted stock	—	—	—	—	—	—	—	—	23,771	2	48,312	—	48,314
Dividends (Accrued Series H-7 Preferred)	—	452,086	—	—	—	—	—	—	—	—	(452,086)	—	(452,086)
Accretion of discounts to redemption value of Series H-7 convertible preferred stock	—	3,095,473	—	—	—	—	—	—	—	—	(3,095,473)	—	(3,095,473)
Net loss	—	—	—	—	—	—	—	—	—	—	—	(3,638,752)	(3,638,752)
Balance, March 31, 2024	**22,000**	**$14,741,498**	**8**	**$ —**	**1,234**	**$ —**	**50**	**$ —**	**4,937,678**	**$ 494**	**$125,980,425**	**$(118,968,791)**	**$ 7,012,128**

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

AYRO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 845,011	$ (3,638,752)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,703	340,232
Stock-based compensation	—	60,712
Change in fair value - derivative liability	(1,531,000)	(9,000)
Change in fair value - warrant liability	(1,080,600)	(1,072,800)
Amortization of right-of-use asset	48,552	47,638
Bad debt expense	—	68,297
Unrealized loss on marketable securities	71,707	35,019
Realized gain on marketable securities	(211,062)	(377,123)
Impairment of inventory	—	766,248
Change in operating assets and liabilities:		
Accounts receivable	—	12,879
Inventory	—	(1,010,767)
Prepaid expenses and other current assets	645,525	477,592
Deposits and other assets	—	6,267
Accounts payable	(205,506)	(137,183)
Accrued expenses and other current liabilities	(13,692)	(204,153)
Lease obligations - operating leases	(51,788)	(47,150)
Net cash used in operating activities	(1,476,150)	(4,682,044)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of marketable securities	18,100,000	5,750,000
Purchase of marketable securities	(16,350,538)	(29,048,533)
Net cash provided by (used in) investing activities	1,749,462	(23,298,533)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of preferred stock redemption (Series H-7)	(3,545,971)	—
Net cash used in financing activities	(3,545,971)	—
Net change in cash, cash equivalents and restricted cash	(3,272,659)	(27,980,577)
Cash, cash equivalents and restricted cash, beginning of period	16,200,157	43,440,867
Cash, cash equivalents and restricted cash, end of period	$ 12,927,498	$ 15,460,290
Supplemental disclosure of cash and non-cash transactions:		
Fixed asset additions included in accounts payable and accrued expenses	$ —	$ 57,086
Accrual of Series H-7 convertible preferred stock dividends	$ 494,818	$ 452,086
Deemed dividend Series H-7 warrants	$ 338,915	$ —
Accretion of discounts to redemption value of H-7 convertible preferred stock	$ 1,686,854	$ 3,095,473
Accrued Series H-7 preferred stock redemption payable	$ 6,404,587	$ —
Supplemental disclosure of restricted cash:		
Cash and cash equivalents	$ 12,818,283	$ 5,460,290
Restricted cash	109,215	10,000,000
Total cash, cash equivalents and restricted cash	$ 12,927,498	$ 15,460,290

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

NOTE 1. ORGANIZATION AND NATURE OF OPERATIONS

AYRO, Inc. ("AYRO" or the "Company"), is a Delaware corporation headquartered in New York, New York. The Company, and its wholly-owned subsidiary, are principally engaged in manufacturing and sales of environmentally conscious, minimal-footprint electric vehicles. The all-electric vehicles are typically sold both directly to customers and to dealers in the United States.

Strategic Review

In February 2025, the Company announced the launch of its new robotics division, which will be focused on AI-driven, automated manufacturing of EVs and accompanying accessories.

NOTE 2. LIQUIDITY AND GOING CONCERN

The unaudited condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP"), which contemplates continuation of the Company as a going concern. The Company is subject to a number of risks similar to those of earlier stage commercial companies, including dependence on key individuals and products, the difficulties inherent in the development of a commercial market, the potential need to obtain additional capital, competition from larger companies, other technology companies and other technologies. The Company has a limited operating history and the sales and income potential of its business and market are unproven.

As of March 31, 2025, the Company had cash and cash equivalents balance totaling $12,818,283, restricted cash of $109,215, and marketable securities of $2,479,725. The Company had net income of $845,011 as a result of the non-cash changes in the warrant liability and the derivative liability for the three months ended March 31, 2025, and negative cash flow used in operations of $1,476,150 for the three months ended March 31, 2025. In addition, overall working capital decreased by $8,514,153 during the three months ended March 31, 2025. Management believes that the existing cash as of March 31, 2025 will not be sufficient to fund operations for at least the next twelve months following the issuance of these unaudited condensed consolidated financial statements. These factors raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the issuance of these unaudited condensed consolidated financial statements. In order to have sufficient cash to fund the Company's operations in the future, the Company will need to raise additional equity or debt capital and cannot provide any assurance that the Company will be successful in doing so. If the Company is unable to raise sufficient capital to fund the Company's operations, the Company may need to delay, reduce or eliminate certain research and development programs or other operations, sell some or all of its assets or merge with another entity. As a result of these factors, management has concluded that there is substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the date of the financial statements. The Company's unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and in conformity with the instructions on Form 10-Q and Rule 8-03 of Regulation S-X and the related rules and regulations of the Securities and Exchange Commission (the "SEC"). The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The unaudited condensed consolidated financial statements reflect all adjustments consisting of normal recurring accruals, which are, in the opinion of management, necessary for a fair presentation of such statements. The results of operations for the three months ended March 31, 2025, are not necessarily indicative of the results that may be expected for the entire year. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the fiscal year ended December 31, 2024, which are included in the Company's Annual Report on Form 10-K, filed with the SEC on March 31, 2025.

Reclassification

Certain line items in the unaudited condensed consolidated statements of cashflows for the three months ended March 31, 2024, have been reclassified to conform to the comparative period presentation for the three months ended March 31, 2025, primarily the presentation on the proceeds and purchases of marketable securities, which were previously presented net as change in marketable securities, net, are now shown gross as proceeds from sale of marketable securities and purchase of marketable securities. These reclassifications have no effect on net cash provided by (used in) investing activities or on total cash flows.

NOTE 4. BASIC AND DILUTED NET LOSS PER SHARE

The following potentially dilutive securities have been excluded from the computation of diluted weighted average shares outstanding as they would be anti-dilutive:

	Three Months Ended March 31,	
	2025	**2024**
Options to purchase Common Stock	7,666	33,696
Warrants outstanding	11,564,174	11,592,784
Preferred stock outstanding	2,709,336	12,639,489
Totals	14,281,176	24,265,969

NOTE 5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consisted of the following:

	March 31, 2025	**December 31, 2024**
Prepayments for inventory	$ —	$ 401,675
Prepayments for insurance	78,642	172,221
Prepayments for software	95,962	93,316
Prepaid other	152,116	305,033
Total prepaid expenses and other current assets	$ 326,720	$ 972,245

NOTE 6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of the following:

	March 31, 2025	**December 31, 2024**
Accrued professional and consulting fees	$ 125,222	$ 40,009
Accrued severance	247,333	277,126
Accrued cash-settled restricted stock tax withholding	285,250	285,250
Accrued expenses other	122,322	122,565
Accrued current liabilities	—	68,869
Total accrued expenses and other current liabilities	$ 780,127	$ 793,819

NOTE 7. STOCKHOLDERS' EQUITY

Series H-7 Preferred Stock

On March 30, 2025, the Company entered into an Omnibus Waiver and Amendment Agreement ("Waiver and Amendment Agreement") with the Required Holders (as defined in the Certificate of Designations (the "Series H-7 Certificate of Designations") for the Series H-7 Convertible Preferred Stock ("Series H-7 Preferred Stock"), pursuant to which, the Required Holders agreed (A) to amend (i) the Series H-7 Certificate of Designations, as described below, by filing a Certificate of Amendment to the Series H-7 Certificate of Designations with the Secretary of State of the State of Delaware (the "March 2025 Certificate of Amendment"), and (ii) that certain Securities Purchase Agreement, dated as of August 7, 2023 (the "Series H-7 Purchase Agreement") pursuant to which the Company issued the Series H-7 Preferred Stock and related warrants (the "Series H-7 Warrants") to amend the definition of "Excluded Securities" such that the definition includes the issuance of common stock, par value $0.0001 per share ("common stock"), issued after the date of the Series H-7 Purchase Agreement pursuant to an Approved Stock Plan (as defined in the Series H-7 Purchase Agreement), which in the aggregate does not exceed more than 2% of the shares of common stock issued and outstanding on the date immediately prior to the date of the Series H-7 Purchase Agreement (the "Excluded Securities Modification"), and (B) to waive certain restrictive covenants contained in the Series H-7 Purchase Agreement as described therein.

The March 2025 Certificate of Amendment amends the Series H-7 Certificate of Designations to (i) amend the restrictive covenant of the Series H-7 Certificate of Designations such that the Company is required from January 1, 2025, until no shares of Series H-7 Preferred Stock are outstanding, to maintain unencumbered, unrestricted cash and cash equivalents on hand in amount equal to at least 120% of the aggregate Stated Value (as defined in the Series H-7 Certificate of Designations) of the Series H-7 Preferred Stock then outstanding, (ii) amend the definition of "Excluded Securities" substantially similar to the Excluded Securities Modification, and (iii) remove the restrictive covenant provision relating to the Segregated Cash (as defined in the Series H-7 Certificate of Designations) requirement. The March 2025 Certificate of Amendment was filed with the Secretary of State of the State of Delaware, effective as of March 31, 2025.

On May 13, 2025, the Required Holders (as defined in the Series H-7 Certificate of Designations) executed and delivered a waiver (the "May 2025 Waiver") to the Company, pursuant to which, the Required Holders agreed to waive any Equity Conditions Failure (as defined in the Series H-7 Certificate of Designations) including, without limitation, any rights or remedies in connection with such Equity Conditions Failure, effective as of March 31, 2025, and as of the date of the May 2025 Waiver.

During the three months ended March 31, 2025, the Company recognized $833,733 of net preferred dividends which is comprised of $494,818 of preferred dividends at the stated dividend rate recorded in mezzanine equity and stockholders' equity , and $338,915 accrued deemed dividends recorded in stockholders' equity , for cash premium on installment redemptions ultimately settled in shares of common stock.

As of March 31, 2025, the following table sets forth a summary of the change in the accrued preferred stock redemption payable (H-7):

		Accrued preferred stock redemption payable (H-7)
Beginning balance at January 1, 2025	$	1,285,680
New redemptions and cash premiums		6,743,502
Cash payments		(3,545,971)
Ending balance at March 31, 2025	$	4,483,211

NOTE 8. CONCENTRATIONS AND CREDIT RISK

Purchasing

During the three months ended March 31, 2024, three suppliers each accounted for more than 10% of the Company's raw materials, the three suppliers accounted for 21%, 19% and 15%, respectively.

NOTE 9. COMMITMENTS AND CONTINGENCIES

Manufacturing Agreement

On August 27, 2024, the Company partnered with Lithion Battery Inc. ("Lithion"), a manufacturer of certain iron phosphate and lithium-ion battery cells, modules and battery packs, and entered into a purchase agreement with Lithion (the "Lithion Purchase Agreement"), pursuant to which, the Company agreed to purchase batteries from Lithion for an aggregate of $1,211,150 through 2025. As of March 31, 2025, $541,160 under the Lithion Purchase Agreement remained outstanding.

Litigation

The Company is subject to various legal proceedings and claims, either asserted or unasserted, which arise in the ordinary course of business, that it believes are incidental to the operation of its business. While the outcome of these claims cannot be predicted with certainty, management does not believe that the outcome of any of these legal matters will have a material adverse effect on its results of operations, financial positions, or cash flows.

NOTE 10. FAIR VALUE MEASUREMENTS

Fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of and during the three months ended March 31, 2025. The carrying amounts of cash equivalents, accounts receivable, other current assets, other assets, accounts payable, and accrued expenses approximated their fair values as of the three months ended March 31, 2025, due to their short-term nature. The fair value of the bifurcated embedded derivative related to the convertible preferred stock was estimated using a Monte Carlo simulation model, which uses as inputs the fair value of the Company's common stock and estimates for the equity volatility and traded volume volatility of the Company's common stock, the time to maturity of the convertible preferred stock, the risk-free interest rate for a period that approximates the time to maturity, dividend rate, a penalty dividend rate, and the Company's probability of default. The fair value of the warrant liability was estimated using the Black Scholes Model which uses as inputs the following weighted average assumptions, as noted above: dividend yield, expected term in years, equity volatility, and risk-free interest rate.

Fair Value on a Recurring Basis

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of marketable securities and money market accounts represents a Level 1 measurement. The estimated fair value of the warrant liability and bifurcated embedded derivatives represent Level 3 measurements. The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis as of March 31, 2025, and December 31, 2024, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

The following table sets forth a summary of the Company's assets and liabilities that are measured at fair value on a recurring basis:

	March 31, 2025		**December 31, 2024**	
Fair Value Level 1	Cash Equivalents	Marketable Securities	Cash Equivalents	Marketable Securities
U.S Government securities	$ 12,370,645	$ 2,479,725	$ 13,891,997	$4,089,832
Total debt investments	$ 12,370,645	$ 2,479,725	$ 13,891,997	$4,089,832
Fair Value Level 3	Warrant Liability	Derivative Liability	Warrant Liability	Derivative Liability
Derivative financial instruments	$ 1,282,300	$ 1,130,000	$ 2,362,900	$2,661,000
Total financial derivatives	$ 1,282,300	$ 1,130,000	$ 2,362,900	$2,661,000

The following table sets forth a summary of the change in the fair value of the warrant liability, which is considered a Level 3 investment, which is measured at fair value on a recurring basis:

	March 31, 2025
Balance on December 31, 2024	$ 2,362,900
Change in fair value of warrant liability	(1,080,600)
Balance on March 31, 2025	$ 1,282,300

During the three months ended March 31, 2025, the Company recorded income of $1,080,600 related to the change in fair value of the H-7 Warrant liability which is recorded in other income (expense) on the unaudited condensed consolidated statements of operations. The fair value of the H-7 Warrants of $1,282,300 and $2,362,900 were estimated at March 31, 2025 and December 31, 2024, respectively, utilizing the Black Scholes Model, with the following inputs:

	March 31, 2025	December 31, 2024
Stock price	$ 0.51	$ 0.68
Exercise price	$ 2.00	$ 2.00
Dividend yield	0.0%	0.0%
Remaining terms	3.36	3.61
Equity volatility	75.0%	75.0%
Risk-free interest rate	3.9%	4.3%

The following table sets forth a summary of the change in the fair value of the derivative liability, which is considered a Level 3 investment, that is measured at fair value on a recurring basis:

	March 31, 2025
Balance on December 31, 2024	$ 2,661,000
Change in fair value of derivative liability	(1,531,000)
Balance on March 31, 2025	$ 1,130,000

During the three months ended March 31, 2025, the Company recorded income of approximately $1,531,000 related to the change in fair value of the derivative liability which is recorded in other income (expense) on the unaudited condensed consolidated statements of operations. The Company estimated the $1,130,000 and $2,661,000 fair value of the bifurcated embedded derivative at March 31, 2025 and December 31, 2024, respectively, using a Monte Carlo simulation model, with the following inputs:

	March 31, 2025	December 31, 2024
Volatility	90.0%	70.0%
Time to maturity	0.33	0.58
Discounted market interest	11.4%	9.1%
Dividend rate	8.0%	8.0%
Penalty dividend rate	15.0%	15.0%
Probability of default	8.7%	15.1%

As of March 31, 2025, the shares of Series H-7 Preferred Stock are convertible into 2,708,581 shares of the Company's common stock.

NOTE 11. SEGMENT REPORTING

The Company currently operates as one business segment, which is also the sole reportable segment, focusing on the manufacturing and sales of environmentally-conscious, minimal-footprint EVs. The Company's business offerings have similar economic and other characteristics, including the nature of products, manufacturing, types of customers, and distribution methods. The determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM"). The Company's CODM is its Executive Chairman and Principal Executive Officer, who reviews and evaluates consolidated profit and loss and total assets for the purpose of assessing performance, making operating decision, allocating resources, and planning and forecasting for future periods.

In addition to the significant expense categories included within net loss presented on the Company's Unaudited Condensed Consolidated Statements of Operations, see below for disaggregated amounts that comprise consulting and personnel expenses:

	Three Months Ended March 31,	
	2025	2024
Consulting expenses	$ 1,036,818	$ 1,341,034
Personnel expenses	407,918	1,915,152
Other expenses*	528,816	834,912
Total operating expenses	$ 1,973,552	$ 4,091,098

* Other expenses materially comprised of rent, property taxes, insurance, depreciation, licenses and business taxes, software subscription fees, issuance cost, bad debt, dues and subscriptions, travel and entertainment, and marketing.

NOTE 12. RELATED-PARTY TRANSACTIONS

Gilbert Villarreal, the president of AYRO Operating, through GLV Ventures and Electric Power, entities owned and controlled by Mr. Villarreal, has been providing consulting services to the Company in connection with the reengineering of the Company's Vanish at a rate of $30,000 per month. In addition to the compensation paid to Mr. Villarreal as President of AYRO Operating, see below for related-party incurred expenses and liabilities:

Related-Party Incurred Expenses

		Three Months Ended March 31,	
Related Party	Classification	2025	2024
Electric Power Energy	Research and development	$ 174,165	$ —
Electric Power Energy	General and administrative	231,745	—
Total		$ 405,910	$ —

Related-Party Liabilities

Related Party	Classification	March 31, 2025	December 31, 2024
Electric Power Energy	Accounts Payable	$ 123,370	$ —
Electric Power Energy	Accrued expenses and other current liabilities	27,415	103,717
Total		$ 150,785	$ 103,717

NOTE 13. SUBSEQUENT EVENTS

On May 13, 2025, the Required Holders (as defined in the Series H-7 Certificate of Designations) executed and delivered the May 2025 Waiver to the Company, pursuant to which, the Required Holders agreed to waive any Equity Conditions Failure (as defined in the Series H-7 Certificate of Designations) including, without limitation, any rights or remedies in connection with such Equity Conditions Failure, effective as of March 31, 2025, and as of the date of the May 2025 Waiver.

On April 30, 2025, in connection with the issuance of stock options to certain officers of the Company and pursuant to the full ratchet anti-dilution provisions contained in the Series H-7 Certificate of Designations and the Series H-7 Warrants, (i) the Series H-7 Conversion Price was adjusted to $0.476 per share and (ii) the exercise price of the Series H-7 Warrants was adjusted to $0.476 per share and the number of shares of common stock issuable upon exercise of such warrants was adjusted proportionally.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this "Form 10-Q") contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of forward-looking terms such as "anticipates," "assumes," "believes," "can," "could," "estimates," "expects," "forecasts," "guides," "intends," "is confident that," "may," "plans," "seeks," "projects," "targets," "would" and "will" or the negative of such terms or other variations on such terms or comparable terminology. Such forward-looking statements include, but are not limited to, future financial and operating results, the company's plans, objectives, expectations and intentions, statements concerning the strategic review of our product development strategy, the development and launch of the AYRO Vanish (the "Vanish") and other statements that are not historical facts. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition, and results of operations. These forward-looking statements speak only as of the date of this Form 10-Q and are subject to a number of risks, uncertainties, and assumptions that could cause actual results to differ materially from our historical experience and our present expectations, or projections described under the sections in this Form 10-Q and our other reports filed with the SEC titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

For a more detailed discussion of other factors that may affect our business and that could cause our actual results to differ materially from those projected in these forward-looking statements, see the risk factors and uncertainties set forth in Part II, Item 1A of this Form 10-Q and in Part I, Item 1A of our Annual Report on Form 10-K as filed with the SEC on March 31, 2025. Any one or more of these uncertainties, risks and other influences could materially affect our results of operations and whether forward-looking statements made by us ultimately prove to be accurate. We undertake no obligation to publicly update or revise any forward-looking statements, whether from new information, future events or otherwise, except as required by law.

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

The following management's discussion and analysis should be read in conjunction with our historical consolidated financial statements and the related notes thereto. This management's discussion and analysis contains forward-looking statements, such as statements of our plans, objectives, expectations, and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect" and the like, and/or future tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including those under "Risk Factors" in our filings with the Securities and Exchange Commission ("SEC") that could cause actual results or events to differ from those expressed or implied by the forward-looking statements. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. See "Cautionary Note Regarding Forward-Looking Statements."

References in this management's discussion and analysis to "we," "us," "our," "the Company," "our Company," or "AYRO" refer to AYRO, Inc. and its subsidiary.

Overview

We design and manufacture compact, sustainable electric vehicles for closed campus mobility, low speed urban and community transport, local on-demand and last mile delivery and government use. Our four-wheeled purpose-built electric vehicles are geared toward commercial customers, including universities, business and medical campuses, last mile delivery services and food service providers.

Business Strategy

Our goal is to continue to develop and commercialize automotive-grade, sustainable electric transportation solutions for the markets and use cases that we believe can be well served by our purpose-built, street legal low speed electric vehicles. Our business strategy includes the following:

- **Continuously evaluate operations**. The Company is evaluating its operations to align with anticipated market conditions for electric vehicles.
- **Identify defined markets and use cases which are currently under-served but represent sizable market opportunity sub-sets of the electric vehicle market and focus development efforts on purpose-built electric vehicles to address such markets.** We are currently developing a new series of modular, highly reconfigurable payload systems affording operators the maximum flexibility in the use of their fleet for a plurality of payloads. We intend to direct resources to advance the development of such reconfigurable payload solutions which we believe will afford customers the option of sharing transportation assets or configuring those assets differently for differing time of day or time of season use cases.
- **Invest in research and development and qualification of sensors, cameras, software and mobility services, seeking to enhance the value of using our electric vehicles and to derive incremental potential revenue streams for us and our partner ecosystem.** We intend to offer a web-based application to accompany every vehicle sold or leased beginning with the AYRO Vanish Fleet to enhance the use cases for those vehicles and optimize driver routing, user scheduling, and customer communication. We intend for onboard sensors to collect vehicle health, location data, route data, payload data and environmental data to provide us, the customer and fleet operators the ability to do post-hoc analysis of forecast versus observed delivery efficiency. A subscription service could later be offered even to delivery operators operating vehicles other than ours, creating the potential for an additional revenue stream.

Nasdaq Deficiency

On July 18, 2024, the Company received a letter from the Listing Qualifications Department of the Nasdaq Stock Market indicating that, based upon the closing bid price of the Company's common stock for the 30 consecutive business days between June 3, 2024, to July 17, 2024, the Company did not meet the minimum bid price of $1.00 per share required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550(a)(2). The letter also indicated that the Company will be provided with a compliance period of 180 calendar days, or until January 14, 2025, in which to regain compliance pursuant to Nasdaq Listing Rule 5810(c)(3)(A).

On January 15, 2025, the Company received notice from the Staff granting the Company's request for a 180-day extension to regain compliance with the Rule, or until July 14, 2025 (the "Compliance Period"). In order to regain compliance with Nasdaq's minimum bid price requirement, the Company's common stock must maintain a minimum closing bid price of $1.00 for at least ten consecutive business days during the Compliance Period. However, if it appears to Nasdaq that the Company will be unable to cure the deficiency Nasdaq will provide notice that the Company's common stock will be subject to delisting. There can be no assurance that the Nasdaq staff would grant the Company's request for continued listing subsequent to any delisting notification. In the event of such a notification, the Company may appeal the Nasdaq staff's determination to delist its securities.

There is no assurance that we will maintain compliance with such minimum listing requirements. If Nasdaq delists our common stock from trading on its exchange for failure to meet the listing standards, an investor would likely find it significantly more difficult to dispose of or obtain our shares, and our ability raise future capital through the sale of our shares could be severely limited. Delisting could also have other negative results, including the potential loss of confidence by employees, the loss of institutional investor interest and fewer business development opportunities.

Products

Our vehicles provide the end-user an environmentally friendly alternative to internal combustion engine vehicles (cars powered by gasoline or diesel oil), for light duty uses, including low-speed logistics, maintenance services, cargo services, and personal/group transport in a quiet, zero emissions vehicle with a lower total cost of ownership.

Product Development and Future Strategy

Manufacturing Agreement

On August 27, 2024, the Company partnered with Lithion Battery Inc. (“Lithion”), a manufacturer of certain iron phosphate and lithium-ion battery cells, modules and battery packs, and entered into a purchase agreement with Lithion (the “Lithion Purchase Agreement”), pursuant to which, the Company agreed to purchase batteries from Lithion for an aggregate of $1,211,150 through 2025. As of March 31, 2025, $541,160 under the Lithion Purchase Agreement remained outstanding.

Recent Developments

On March 30, 2025, the Company entered into an Omnibus Waiver and Amendment Agreement (“Waiver and Amendment Agreement”) with the Required Holders (as defined in the Certificate of Designations (the “Certificate of Designations”) for the Series H-7 Convertible Preferred Stock (“Series H-7 Preferred Stock”)), pursuant to which, the Required Holders agreed (A) to amend (i) the Series H-7 Certificate of Designations, as described below, by filing a Certificate of Amendment to the Series H-7 Certificate of Designations with the Secretary of State of the State of Delaware (the “March 2025 Certificate of Amendment”), and (ii) that certain Purchase Agreement, dated as of August 7, 2023, pursuant to which the Company issued the Series H-7 Preferred Stock and related warrants (the “Series H-7 Purchase Agreement”), to amend the definition of “Excluded Securities” such that the definition includes the issuance of common stock issued after the date of the Series H-7 Purchase Agreement pursuant to an Approved Stock Plan (as defined in the Series H-7 Purchase Agreement), which in the aggregate does not exceed more than 2% of the shares of common stock issued and outstanding on the date immediately prior to the date of the Series H-7 Purchase Agreement (the “Excluded Securities Modification”), and (B) to waive certain restrictive covenants contained in the Series H-7 Purchase Agreement as described therein.

The March 2025 Certificate of Amendment amends the Series H-7 Certificate of Designations to (i) amend the restrictive covenant of the Series H-7 Certificate of Designations such that the Company is required from January 1, 2025 until no shares of Series H-7 Preferred Stock are outstanding, to maintain unencumbered, unrestricted cash and cash equivalents on hand in amount equal to at least 120% of the aggregate Stated Value (as defined in the Series H-7 Certificate of Designations) of the Series H-7 Preferred Stock then outstanding, (ii) amend the definition of “Excluded Securities” substantially similar to the Excluded Securities Modification, and (iii) remove the restrictive covenant provision relating to the Segregated Cash (as defined in the Series H-7 Certificate of Designations) requirement. The March 2025 Certificate of Amendment was filed with the Secretary of State of the State of Delaware, effective as of March 31, 2025.

Factors Affecting Results of Operations

Internal Restructuring

On January 31, 2024, the Company began implementing an internal restructuring to achieve greater efficiency in pursuit of its strategic goals. As part of the Company’s internal restructuring, among other things, the Company eliminated a substantial number of positions at the Company, which may impact its financial position and results of operations, as the Company re-evaluates its sales, marketing, and manufacturing functions. Following the internal restructuring, as of March 31, 2025, we did not have any direct, full-time employees. In connection with the restructuring, the Company began working closely with consultants to complete a thorough review of its new 411 fleet vehicle model year 2023 refresh, the Vanish (the “Vanish”), to achieve the Company’s objective of lowering the bill of materials (“BOM”) and overall manufacturing expenses, which in turn will reduce the Manufacturer’s Suggested Retail Price (“MSRP”) of the Vanish.

As part of this effort, in August 2024, Gilbert Villarreal was appointed as President of the Company’s subsidiary, Ayro Operating Company, Inc., and has been leading the review of the Vanish, including working with the Company’s vendors and partners in connection with the Vanish.

Components of Results of Operations

Revenue

The Company continues to work on the engineering of the Vanish, while the Company evaluates the commercialization of the product during the internal restructuring. Going forward, the Company expects to recognize revenue upon successful re-engineering of the Vanish and is exploring strategic partnerships to support scaling.

Cost of Goods Sold

Cost of goods sold primarily consists of costs of materials and personnel costs associated with manufacturing operations, and an accrual for post-sale warranty claims. Personnel costs consist of wages and associated taxes and benefits. The cost of goods sold also includes freight and changes to our warranty reserves. Allocated overhead costs consist of certain facilities and utility costs.

Operating Expenses

Our operating expenses consist of general and administrative and research and development expenses. Third party consulting services is the most significant component of each category of operating expenses. Operating expenses also include allocated overhead costs for facilities and utility costs.

Research and Development Expense

Research and development expense consists primarily of prototype expenses, product strategic advisory fees, and third-party engineering and contractor support costs, including costs related to the Company's relationship with GLV Ventures. The Company expects research and development expenses to increase in absolute dollars as investments in new and existing products continue, particularly in the reengineering of the Vanish to optimize its design and reduce manufacturing costs.

Sales and Marketing Expense

Sales and marketing expenses consist primarily of personnel and related expenses, marketing programs, travel and entertainment expenses. and bad debt expense. Marketing programs consist of advertising, trade shows, events, corporate communications, and brand-building activities. Sales and marketing efforts and related expenses have been put on hold pending the outcome of the reengineering of the Vanish, as the Company focuses resources on optimizing the design and reducing manufacturing costs of this product.

General and Administrative Expense

General and administrative expenses consist primarily of consulting fees and related expenses, legal, audit and tax, third-party professional services, and allocated overhead.

Other (Expense) Income

Other (expense) income consists of income received or expenses incurred for activities outside of our core business. Other (expense) income consists primarily of interest expense, unrealized gain/loss on marketable securities, the changes in fair value of the warrant and the derivative liability.

Provision for Income Taxes

Provision for income taxes consists of estimated income taxes due to the United States government and to the state tax authorities in jurisdictions in which we conduct business. In the case of a tax deferred asset, we reserve the entire value for future periods.

Results of Operations

Three months ended March 31, 2025, compared to three months ended March 31, 2024

The following table sets forth our results of operations for each of the periods set forth below:

	For the Three Months Ended March 31,		
	2025	2024	Change
Revenue	$ —	$ 58,351	$ (58,351)
Cost of goods sold	—	1,183,207	(1,183,207)
Gross loss	—	(1,124,856)	1,124,856
Operating expenses:			
Research and development	307,730	760,417	(452,687)
Sales and marketing	—	268,355	(268,355)
General and administrative	1,665,822	3,062,326	(1,396,504)
Total operating expenses	1,973,552	4,091,098	(2,117,546)
Loss from operations	(1,973,552)	(5,215,954)	3,242,402
Other income (expense):			
Interest income	26,240	153,298	(127,058)
Change in fair value - warrant liability	1,080,600	1,072,800	7,800
Change in fair value - derivative liability	1,531,000	9,000	1,522,000
Unrealized loss on marketable securities	(71,707)	(35,019)	(36,688)
Realized gain on marketable securities	211,062	377,123	(166,061)
Other income, net	41,368	—	41,368
Total other income, net	2,818,563	1,577,202	1,241,361
Net income (loss)	$ 845,011	$ (3,638,752)	$ 4,483,763

Revenue

Revenue was $0 for the three months ended March 31, 2025, as compared to $58,351 for the same period in 2024, a decrease of 100%, or $58,351. The decrease in revenue was primarily due to a reduction of $37,775 in product sales and $18,249 decrease in service revenue, mainly due to the pause in manufacturing of the Vanish as the Company focuses on re-engineering the vehicle to optimize its design and improve manufacturing efficiencies.

Cost of goods sold and gross loss

Cost of goods decreased by $1,183,207 or 100% for the three months ended March 31, 2025, as compared to the same period in 2024. The decrease in cost of goods sold was mainly due to the decrease of $766,248 in impairment of inventory adjustments related to the Vanish, a decrease in overhead allocations of $218,550, and a decrease of $162,946 in materials due to decrease in sales.

Research and development expense

Research and development ("R&D") expense was $307,730 for the three months ended March 31, 2025, as compared to $760,417 for the same period in 2024, a decrease of $452,687 or 60%. For the three months ended March 31, 2025, as compared to the same period in 2024, the Company had a decrease of $444,449, $64,673, and $10,779 in salaries and related personnel costs, R&D design, and dues and subscriptions, respectively, offset by an increase in other consulting of $70,825. The decrease was primarily due to the Company being substantially completed with the R&D on the Vanish in 2024, offset by the increase in re-engineering work and design changes in the current year associated with the Company's objective of lowering the bill of material and overall manufacturing expenses of the Vanish.

Sales and marketing expense

Sales and marketing expense was $0 for the three months ended March 31, 2025, as compared to $268,355 for the same period in 2024, a decrease of $268,355, or 100%. For the three months ended March 31, 2025, as compared to the same period in 2024, the Company had a decrease of $131,062 in salaries and related expenses, a decrease of $68,297 in bad debt expenses, a decrease of $13,366 in travel and entertainment, a decrease of $26,540 in advertising and trade shows, and a decrease of $10,000 in other consulting. The decrease primarily resulted from the suspension of marketing efforts and related expenses while the Company focuses on reengineering the Vanish to optimize its design and lower manufacturing costs.

General and administrative expenses

The majority of our operating losses from continuing operations resulted from general and administrative expenses. General and administrative expenses consist primarily of costs associated with our overall operations and with being a public company. These costs include personnel, legal and financial professional services, insurance, investor relations, and compliance related fees.

General and administrative expense was $1,665,822 for the three months ended March 31, 2025, compared to $3,062,326 for the same period in 2024, a decrease of $1,396,504, or 46%. The decrease was primarily attributable to cost reduction initiatives completed in late 2024 and early 2025.

Salaries and related expenses decreased by $931,724 for the three months ended March 31, 2025, compared to the same period in 2024, due to the decrease in headcount associated with the internal restructuring. Depreciation decreased by $170,494 for the three months ended March 31, 2025, compared to the same period in 2024, due to assets being fully impaired and written down to zero at the end of 2024. Consultants and professional services decreased by $275,813 for the three months March 31, 2025, compared to the same period in 2024, primarily due to fewer engagements that required external professional services. Insurance decreased by $35,215 for the three months ended March 31, 2025, compared to the same period in 2024, due to meaningful reductions across both Directors and Officers liability and broader casualty property programs. Travel and entertainment decreased by $16,245 for the three months ended March 31, 2025 compared to the same period in 2024, due to reduced activities stemming from internal restructuring. Software subscription fees decreased by $66,782 for the three months ended March 31, 2025, compared to the same period in 2024, driven by non-renewals of under-utilized subscriptions. Rent, franchise taxes, and dues and subscriptions increased by $83,012, $50,200, and 26,301, respectively, for the three months ended March 31, 2025, compared to the same period in 2024.

Other income and expense

For the three months ended March 31, 2025, the Company recorded a $1,241,361 increase of net other income. For the three months ended March 31, 2025 and 2024, the Company recognized a gain of $1,531,000 and $9,000, respectively, for the change in fair value - derivative liability, an increase of $1,522,000, mainly due to the decrease in the trading price of the Company’s common stock and redemptions of Series H-7 Preferred Stock, which results in the decrease in carrying amount of derivative liability associated with the redemptions of Series H-7 Preferred Stock. The Company recognized a gain of $1,080,600 and $1,072,800 for the three months ended March 31, 2025 and 2024, respectively, for the change in fair value - warrant liability, an increase of $7,800 primarily due to the decrease in the trading price of the Company’s common stock and the increase in the risk-free rate. For the three months ended March 31, 2025, the Company recorded $127,058 decrease in interest income on cash accounts, a decrease in realized gains of $166,061 on marketable securities, and a decrease of $36,688 in the unrealized gain on marketable securities.

Off-Balance Sheet Commitments and Arrangements

The Company has not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. The Company has not entered into any derivative contracts that are indexed to the Company’s shares and classified as stockholder’s equity or that are not reflected in the Company’s financial statements included in this Quarterly Report on Form 10-Q. Furthermore, the Company does not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. The Company does not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Liquidity and Capital Resources

The Company has incurred recurring losses from operations and has insufficient liquidity to fund its future operations. As of March 31, 2025, we had $12,818,283 in cash and cash equivalents, $109,215 in restricted cash, $2,479,725 in marketable securities, and working capital of $8,586,452. As of December 31, 2024, we had $16,035,475 in cash and cash equivalents, $164,682 in restricted cash, $4,089,832 in marketable securities and working capital of $17,100,605. The decrease in cash and cash equivalents and working capital was primarily a result of the payment of Series H-7 Preferred Stock redemptions. Our sources of cash since inception have been predominately from the sale of equity and debt.

Our future liquidity requirements or future capital needs will depend on, among other things, capital required to manufacture our products and the operational staffing and support requirements, as well as the timing and amount of future revenue and product costs. Our business is capital-intensive, and future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support development efforts, the results of our strategic review, the timing of new product introductions and the continuing market acceptance of our products and services. We are working to control expenses and deploy our capital in the most efficient manner.

We are evaluating other options for the strategic deployment of capital beyond our ongoing strategic initiatives, including potentially entering other segments of the electric vehicle market. We anticipate being opportunistic with our capital, and we intend to explore potential partnerships and acquisitions that could be synergistic with our competitive stance in the market.

We are subject to a number of risks similar to those of earlier stage commercial companies, including dependence on key individuals and products, the difficulties inherent in the development of a commercial market, the potential need to obtain additional capital, and competition from larger companies, other technology companies and other technologies. Based on the foregoing, management believes that the existing cash and cash equivalents and marketable securities at March 31, 2025 will not be sufficient to fund operations for at least the next twelve months following the date of this report.

Series H-7 Preferred Stock

On August 7, 2023, the Company entered into the Securities Purchase Agreement with certain accredited investors (the "Investors"), pursuant to which it agreed to sell to the Investors (i) an aggregate of 22,000 Series H-7 Preferred Stock with a stated value of $1,000 per share, initially convertible into up to 2,750,000 shares of the Company's common stock at an initial conversion price of $8.00 per share, and (ii) warrants ("Warrants") initially exercisable for up to an aggregate of 2,750,000 shares of common stock.

The shares of Series H-7 Preferred Stock are convertible into common stock (the "Conversion Shares") at the election of the holder at any time at an initial conversion price of $8.00 (the "Conversion Price"), which, following the Company's one-for-eight reverse stock split effected on September 15, 2023 (the "Reverse Stock Split") and pursuant to the stock combination event adjustment provisions in the Certificate of Designations, was subsequently reduced to $2.00. The Conversion Price is subject to adjustments for stock dividends, stock splits, reclassifications and the like, and subject to price-based adjustment in the event of any issuances of common stock, or securities convertible, exercisable or exchangeable for common stock, at a price below the then-applicable Conversion Price (subject to certain exceptions). The Company is required to redeem the Series H-7 Preferred Stock in 12 equal monthly installments from, and including, the applicable Installment Date (as defined in the Certificate of Designations). On February 9, 2024, the Company filed with the Secretary of State of the State of Delaware a Certificate of Amendment of Certificate of Designations of Series H-7 Preferred Stock, which became effective upon filing, which amended the commencement of the monthly installment dates, to be between May 7, 2024, and August 7, 2025. The first such installment date was May 7, 2024 and August 7, 2024, as elected by the applicable investor.

The amortization payments due upon redemption of the Series H-7 Preferred Stock are payable, at the Company's election, in cash at 105% of the Installment Redemption Amount (as defined in the Certificate of Designations), or subject to certain limitations, in shares of common stock valued at the lower of (i) the Conversion Price then in effect and (ii) the greater of (A) 80% of the average of the three lowest closing prices of the Company's common stock during the thirty consecutive trading day period immediately prior to the date the amortization payment is due and (B) $0.744 (as adjusted for the Company's Reverse Stock Split and subject to adjustment for stock splits, stock dividends, stock combinations, recapitalizations or other similar events) or, in any case, such lower amount as permitted, from time to time, by the Nasdaq Stock Market. The holders of the Series H-7 Preferred Stock have the option to defer amortization payments or, subject to certain limitations as specified in the Certificate of Designations, can elect to accelerate installment conversion amounts.

The holders of the Series H-7 Preferred Stock are entitled to dividends of 8.0% per annum, compounded monthly, which are payable in cash or shares of common stock at the Company's option, in accordance with the terms of the Certificate of Designations. Upon the occurrence and during the continuance of a Triggering Event (as defined in the Certificate of Designations), the Series H-7 Preferred Stock will accrue dividends at the rate of 15% per annum. Upon conversion or redemption, the holders of the Series H-7 Preferred Stock are also entitled to receive a dividend make-whole payment.

The Certificate of Designations provides that, except as required by applicable law, the holders of the Series H-7 Preferred Stock will be entitled to vote with holders of the common stock on an as converted basis, with the number of votes to which each holder of Series H-7 Preferred Stock is entitled to be determined by dividing the Stated Value by a conversion price equal to $5.76 per share (as adjusted for the Reverse Stock Split), which was the "Minimum Price" (as defined in Nasdaq Listing Rule 5635(d)) applicable immediately before the execution and delivery of the Purchase Agreement, subject to certain beneficial ownership limitations and adjustments for any stock splits, stock dividends, stock combinations, recapitalizations or other similar transactions, as set forth in the Certificate of Designations.

Notwithstanding the foregoing, the Company's ability to settle conversions and make amortization and dividend make-whole payments using shares of common stock is subject to certain limitations set forth in the Certificate of Designations. Further, the Certificate of Designations contains a certain beneficial ownership limitation after giving effect to the issuance of shares of common stock issuable upon conversion of, or as part of any amortization payment or dividend make-whole payment under, the Certificate of Designations or Warrants.

The Certificate of Designations includes certain triggering events including, among other things, the suspension from trading or the failure of the common stock to be trading or listed (as applicable) on an eligible market for a period of five (5) consecutive trading days, the Company's failure to pay any amounts due to the holders of the Series H-7 Preferred Stock when due. In connection with a triggering event, each holder of Series H-7 Preferred Stock will be able to require the Company to redeem in cash any or all of the holder's Series H-7 Preferred Stock at a premium set forth in the Certificate of Designations.

On March 30, 2025, the Company entered into an Omnibus Waiver and Amendment Agreement ("Waiver and Amendment Agreement") with the Required Holders (as defined in the Certificate of Designations (the "Series H-7 Certificate of Designations") for the Series H-7 Convertible Preferred Stock ("Series H-7 Preferred Stock"), pursuant to which, the Required Holders agreed (A) to amend (i) the Series H-7 Certificate of Designations, as described below, by filing a Certificate of Amendment to the Series H-7 Certificate of Designations with the Secretary of State of the State of Delaware (the "March 2025 Certificate of Amendment"), and (ii) that certain Securities Purchase Agreement, dated as of August 7, 2023 (the "Series H-7 Purchase Agreement") pursuant to which the Company issued the Series H-7 Preferred Stock and related warrants to amend the definition of "Excluded Securities" such that the definition includes the issuance of common stock, par value $0.0001 per share ("common stock"), issued after the date of the Series H-7 Purchase Agreement pursuant to an Approved Stock Plan (as defined in the Series H-7 Purchase Agreement), which in the aggregate does not exceed more than 2% of the shares of common stock issued and outstanding on the date immediately prior to the date of the Series H-7 Purchase Agreement (the "Excluded Securities Modification"), and (B) to waive certain restrictive covenants contained in the Series H-7 Purchase Agreement as described therein.

The March 2025 Certificate of Amendment amends the Series H-7 Certificate of Designations to (i) amend the restrictive covenant of the Series H-7 Certificate of Designations such that the Company is required from January 1, 2025, until no shares of Series H-7 Preferred Stock are outstanding, to maintain unencumbered, unrestricted cash and cash equivalents on hand in amount equal to at least 120% of the aggregate Stated Value (as defined in the Series H-7 Certificate of Designations) of the Series H-7 Preferred Stock then outstanding, (ii) amend the definition of "Excluded Securities" substantially similar to the Excluded Securities Modification, and (iii) remove the restrictive covenant provision relating to the Segregated Cash (as defined in the Series H-7 Certificate of Designations) requirement. The March 2025 Certificate of Amendment was filed with the Secretary of State of the State of Delaware, effective as of March 31, 2025.

On May 13, 2025, the Required Holders (as defined in the Series H-7 Certificate of Designations) executed and delivered a waiver (the "May 2025 Waiver") to the Company, pursuant to which, the Required Holders agreed to waive any Equity Conditions Failure (as defined in the Series H-7 Certificate of Designations) including, without limitation, any rights or remedies in connection with such Equity Conditions Failure, effective as of March 31, 2025, and as of the date of the May 2025 Waiver.

Summary of Cash Flows

The following table summarizes our cash flows:

	For the Three Months Ended March 31,	
	2025	2024
Cash Flows:		
Net cash used in operating activities	$ (1,476,150)	$ (4,682,044)
Net cash provided by (used in) investing activities	$ 1,749,462	$ (23,298,533)
Net cash used in financing activities	$ (3,545,971)	$ —

Operating Activities

During the three months ended March 31, 2025, we used $1,476,150 in cash from operating activities, a decrease in use of $3,205,894 compared to the cash used in operating activities of $4,682,044 during the same period in 2024. The decrease in cash used in operating activities was primarily a result of the decrease in net loss adjusted for non-cash items. During the three months ended March 31, 2025, the Company recognized net loss after non-cash adjustments of $1,850,689, a $1,928,840 improvement compared with a $3,779,529 adjusted net loss during the same period in 2024. During the three months ended March 31, 2025, cash used in inventory was $0 as compared to $1,010,767 for the same period in 2024, a decrease of $1,010,767, mainly due to the temporary pause on procurement of materials and manufacturing activities while re-engineering the Vanish. For the three months ended March 31, 2025, cash provided by prepaid expenses and other assets was $645,525 as compared to cash provided of $477,592 for the same period in 2024, an increase in cash provided of $167,933, mainly due to advance purchases of inventory that has been received and expensed, and insurance premiums amortized over the policy period. During the three months ended March 31, 2025, cash used in accrued expenses and other current liabilities was $13,692 as compared to cash used of $204,153 for the same period in 2024, an increase in cash provided of $190,461.

Our ability to generate cash from operations in future periods will depend in large part on profitability, the rate and timing of collections of our accounts receivable, inventory turnovers and our ability to manage other areas of working capital.

Investing Activities

During the three months ended March 31, 2025, the Company provided $1,749,462 in cash from investing activities as compared to $23,298,533 of cash used in investing activities during the same period in 2024, an increase of $25,047,995. During the three months ended March 31, 2025, the Company used $16,350,538 to invest in marketable securities as compared to $29,048,533 cash used for the same period in 2024, and received $18,100,000 in proceeds from the sale of marketable securities as compared to $5,750,000 in proceeds during the same period in 2024.

Financing Activities

During the three months ended March 31, 2025, the Company used cash of $3,545,971 from financing activities as compared to $0 cash used in financing activities for the same period in 2024, a decrease of $3,545,971. The decrease in cash used was due to cash redemptions of the Series H-7 Preferred Stock.

Known Trends, Events, and Uncertainties

The emergence and effects of public health crises, such as pandemics and epidemics, along with geopolitical conflicts, including the consequences of the ongoing war between Russia and Ukraine and between Israel and various factors in the Middle East, including related sanctions and countermeasures, are difficult to predict, and could adversely impact geopolitical and macroeconomic conditions, the global economy, and contribute to increased market volatility, which may in turn adversely affect our business and operations.

Other than as discussed above and elsewhere in this report, we are not aware of any trends, events or uncertainties that are likely to have a material effect on our financial condition.

Critical Accounting Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles, or GAAP. The preparation of our unaudited condensed consolidated financial statements and related disclosures requires us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, revenue, costs and expenses and related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends, and other factors that management believes to be relevant at the time our unaudited condensed consolidated financial statements are prepared. Accordingly, we evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions and conditions.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

Our critical accounting estimates have not changed materially from those previously reported in our Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Under the supervision and with the participation of management, including our principal executive and principal financial officers, we evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2025. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits 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 by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclose controls and procedures as of March 31, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were ineffective due to the material weakness in internal control over financial reporting discussed below.

A material weakness is a significant deficiency or a combination of significant deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Management's Report on Internal Control Over Financial Reporting

Our management performed an assessment of the effectiveness of our internal control over financial reporting as of March 31, 2025 and concluded our internal control over financial reporting was not effective as of March 31, 2025, due to the fact that (i) we were unable to document, formalize, implement and revise where necessary controls, policies and procedure documentation to evidence a system of controls, inclusive of IT controls, including testing of such controls that is consistent with our current personnel and available resources; (ii) we failed to document, maintain and test effective control activities over our control environment, risk assessment, information technology and monitoring components; and (iii) we had insufficient segregation of duties, oversight of work performed and lack of compensating controls in our finance and accounting functions, including, without limitation, the processing, review and authorization of all routine and non-routine transactions, due to limited personnel and resources.

Plan for Remediation of Material Weakness

Our management has been engaged in developing and implementing remediation plans to address the material weaknesses described above. Until we have sufficient technical accounting resources, we have engaged external consultants to provide support and to assist us in our evaluation of more complex applications of GAAP to aid in the remediation efforts of the material weakness.

We continue to enhance corporate oversight over process-level controls and structures to ensure that there is appropriate assignment of authority, responsibility, and accountability to enable remediation of our material weaknesses. As we continue to evaluate, and work to improve, our internal control over financial reporting, management may determine that additional measures to address control deficiencies or modifications to the remediation plan are necessary.

Changes in Internal Control over Financial Reporting

Other than as described above, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter 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 may be involved in certain claims and litigation arising out of the ordinary course and conduct of business. Management assesses such claims and, if it considers that it is probable that an asset had been impaired or a liability had been incurred and the amount of loss can be reasonably estimated, provisions for loss are made based on management's assessment of the most likely outcome.

The information set forth in Note 10 Commitments and Contingencies of the Notes to unaudited condensed consolidated financial statements of this Quarterly Report on Form 10-Q is incorporated by reference herein.

There are no other material proceedings in which any of our directors, officers, affiliates, any registered or beneficial stockholder of more than 5% of our Common Stock, or any associate of any of the foregoing is an adverse party or has a material interest adverse to our interest.

ITEM 1A. RISK FACTORS

The following description of risk factors includes any material changes to, and supersedes the description of, risk factors associated with our business, financial condition and results of operations previously disclosed in "Item 1A. Risk Factors" of our Annual Report for the year ended December 31, 2024 on Form 10-K, as filed with the SEC on March 31, 2025. Our business, financial condition and operating results can be affected by a number of factors, whether currently known or unknown, including but not limited to those described below, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and stock price.

The following discussion of risk factors contains forward-looking statements. These risk factors may be important to understanding other statements in this Form 10-Q. The following information should be read in conjunction with the unaudited condensed consolidated financial statements and related notes in Part I, Item 1, "Financial Statements" and Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Form 10-Q.

The Company's financial statements have been prepared on a going concern basis and do not include adjustments that might be necessary if the Company is unable to continue as a going concern. Management has substantial doubt about the Company's ability to continue as a going concern.

The Company's unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. During the three months ended March 31, 2025, the Company's cash used in operations was $1,476,150 leaving a cash and cash equivalents balance of $12,818,283 as of March 31, 2025. Because the Company does not have sufficient resources to fund its operations for the next twelve months from the date of this filing, management has substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company will need to raise additional capital to finance its losses and negative cash flows from operations and may continue to be dependent on additional capital raising as long as our products do not reach commercial profitability. There are no assurances that the Company would be able to raise additional capital on terms favorable to it. If the Company is unsuccessful in commercializing its products and raising capital, it will need to reduce activities, curtail or cease operations.

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

On April 7, 2025, the Board of Directors of the Company determined that the Company's 2025 Annual Meeting of Stockholders (the "Annual Meeting") will be held virtually by means of remote communication on May 19, 2025, at 10:00 a.m. eastern time.

Due to the fact that the date of the Annual Meeting has been changed by more than 30 days from the anniversary date of the 2024 Annual Meeting of Stockholders, the Company is providing the due date for submission of any qualified stockholder proposal or qualified stockholder nominations. Stockholders of the Company who wished to have a proposal considered for inclusion in the Company's proxy materials for the Annual Meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the "Exchange Act"), must have ensured that such proposal was received by the Company's Secretary at its corporate office at 1185 Avenue of the Americas, New York, NY 10036, on or before the close of business on April 18, 2025, which the Company determined was a reasonable time before it expects to begin in print and send its proxy materials in accordance with Rule 14a-5(f) and Rule 14a-8(e) under the Exchange Act. Any such proposal was also required to meet the requirements set forth in the rules and regulations of the Securities and Exchange Commission to be eligible for inclusion in the proxy materials for the Annual Meeting.

In addition, in accordance with the requirements contained in the Company's Amended and Restated Bylaws ("Bylaws"), stockholders of the Company who wished to bring business before the Annual Meeting outside of Rule 14a-8 of the Exchange Act or to nominate a person for election as a director must have ensured that written notice of such proposal (including all information specified in the Company's Bylaws) was received by the Company's Secretary at the address specified above no later than the close of business on April 18, 2025. Any such proposal was also required to meet the requirements set forth in the Company's Bylaws in order to be brought before the Annual Meeting.

In addition, to comply with the universal proxy rules, stockholders who intended to solicit proxies in support of director nominees other than our nominees must have provided notice that sets forth the information required by Rule 14a-19 under the Exchange Act by April 18, 2025.

ITEM 6. EXHIBITS

Exhibit No.	Description
3.1	Certificate of Amendment of Certificate of Designations of Series H-7 Convertible Preferred Stock (incorporated by reference to Exhibit 3.2.3 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2025).
10.1	Form of Omnibus Waiver and Amendment Agreement, dated March 30, 2025, by and between AYRO, Inc. and the investors party thereto (incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2025).
31.1**	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2**	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Executive Officer 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 Calculation Linkbase Document
101 DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101 LAB**	Inline XBRL Taxonomy Labels Linkbase Document
101 PRE**	Inline XBRL Taxonomy Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

** Filed herewith.
* Furnished herewith.

SIGNATURES

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

AYRO, INC.

Dated: May 14, 2025

By: */s/ Joshua Silverman*
Joshua Silverman
Executive Chairman
(Principal Executive Officer)

Dated: May 14, 2025

By: */s/ Joseph Ramelli*
Joseph Ramelli
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Joshua Silverman, certify that:

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

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

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

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

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

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

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

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

5. The registrant's other certifying officer(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.

Dated: May 14, 2025

/s/ Joshua Silverman
Joshua Silverman
Executive Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Joseph Ramelli, certify that:

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

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

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

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

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

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

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

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

5. The registrant's other certifying officer(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.

Dated: May 14, 2025

/s/ Joseph Ramelli
Joseph Ramelli
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

<u>Exhibit 32.1</u>

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of AYRO, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge and in the capacity of an officer, that:

The Quarterly Report for the quarter ended March 31, 2025 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Dated: May 14, 2025

By: */s/ Joseph Ramelli*
Joseph Ramelli
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32.2

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of AYRO, Inc., a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge and in the capacity of an officer, that:

The Quarterly Report for the quarter ended March 31, 2025 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

Dated: May 14, 2025

By: */s/ Joshua Silverman*
Joshua Silverman
Executive Chairman
(Principal Executive Officer)