



Greenland Technologies Holding Corporation Reports Third Quarter 2021 Unaudited Financial Results

November 11, 2021

- **Third Quarter Revenue of \$23.1 million, up 39.7% year over year**
- **Third Quarter Net Income of \$1.3 million, up 172.5% year over year**

EAST WINDSOR, N.J., Nov. 11, 2021 /PRNewswire/ -- Greenland Technologies Holding Corporation (NASDAQ: GTEC) ("Greenland" or the "Company"), a technology developer and manufacturer of electric industrial vehicles and drivetrain systems for material handling machineries and vehicles, today announced its unaudited financial results for the third quarter ended September 30, 2021.



Third Quarter 2021 Financial and Operating Highlights

- **Total revenues** were \$23.1 million, an increase of 39.7% from \$16.5 million in the third quarter of 2020.
- **Gross margin** was 22.1%, an increase of 150 basis points year over year.
- **Net Income** was \$1.3 million, an increase of 172.5% from \$0.5 million in the third quarter of 2020.
- **Number of transmission products sold** was 33,478 units, an increase of 11.6% compared with 29,985 units in the third quarter of 2020.

CEO and CFO Remarks

Mr. Raymond Wang, CEO of Greenland Technologies Holding Corporation, commented, "Greenland continues to demonstrate operation excellence and results generation by achieving \$23.1 million representing a year over year growth of 39.7%. I am proud of our passionate team for their hard work and accomplishments in a difficult quarter challenged by rising material and logistic costs. The global supply chain continues to grow and Greenland is well positioned to benefit from the strong demand."

Mr. Wang continued, "Despite a brief delay due to port congestion, our latest electric GEF-series lithium powered forklift trucks have arrived on US soil. The GEF-series lithium forklifts consist of three different models ranging from 1.8 tons to 3.5 tons rated load and launch prices ranging from approximately \$23,999 to \$34,999 with battery and charger. We have begun the sales process and expect our first batch to sell quickly. Our industry disruptive GEL-1800, an all electric 1.8 ton rated wheeled front loader, has also arrived and we have begun scheduling demonstrations to interested parties for sale. These vehicles will be followed by our GEX-8000, an all electric 8.0 ton rated load lithium excavator, scheduled to arrive in January 2022. Our electric industrial vehicle division is progressing well and will deepen the value Greenland generates for our shareholders and our clients."

Mr. Jing Jin, Greenland Technologies' Chief Financial Officer commented: "Greenland's stellar performance in the third quarter of 2021 is a testament to our strong capabilities in addressing increasing demands for advanced transmission products and mitigate supply chain risks. Fueled by our robust sales of transmission units, our net income increased 172.5% to \$1.3 million. Meanwhile, we also saw further improvement in our profitability. Specifically, our gross margin continued an upward trend and reached 22.1% in the quarter, up 150 basis points from the prior year. Given our sound financial position, we are confident to spearhead the development of electrifying commercial vehicles."

Recent Developments and Strategic Highlights:

- **Arrival of New Zero Emissions GEF-Series Electric Lithium Forklifts**
In November 2021, Greenland announced the arrival of its new zero emissions GEF-series EV forklift, one of the industry's first lithium-powered EV forklift trucks. Deliveries will begin in earnest, with promotional launch prices ranging from approximately \$23,999 to \$34,999. Priority will also be given to customers who have previously placed orders in the North American market.

Third Quarter 2021 Financial Results

Revenues

Total revenues were \$23.1 million, an increase of approximately 39.7% year-over-year. The increase was primarily due to the significant increase in the sales volume resulting from the continuously growing market demand, the ability to boost supplies, and a shift in the product mix towards higher value products. The number of transmission products sold increased 11.6% to 33,478 units from 29,985 units in the third quarter of 2020.

Costs of Goods Sold

Costs of goods sold were \$18.0 million, an increase of 37.1% from \$13.1 million in the third quarter of 2020. The increase was primarily due to the increase in sales volume and the increase in raw material prices.

Gross profit

Gross profit was \$5.1 million, an increase of 50.0% from \$3.4 million in the third quarter of 2020.

Gross margin was 22.1%, up 150 basis points from 20.6% in the third quarter of 2020. The increase was primarily due to a shift in the product mix towards products of higher value and sophistication such as hydraulic transmission products.

Operating expenses

Total operating expenses were \$3.0 million, up 162.8% from \$1.2 million in the third quarter of 2020. Operating expense as a percentage of total revenues was 13.2%, up 6.2% percentage points from 7.0% in the third quarter of 2020. The increase in operating expenses was primarily due to the increase in sales, consultancy fees, and research and development expenses year-over-year.

- *Selling expenses* were \$0.5 million, an increase of 93.2% from \$0.3 million in the third quarter of 2020. The increase was mainly due to the increase in unit price for transportation expenses.
- *General and administration expenses* were \$1.2 million, an increase of 255.1% from \$0.3 million in the third quarter of 2020. The increase was primarily due to the G&A expenses incurred from the new financing activities as well as the increased legal and consultancy fees for business planning and projects as the Company expanded its operations.
- *Research and development expenses* were \$1.4 million, an increase of 143.2% from \$0.6 million in the third quarter of 2020. The increase was primarily attributed to the increase in R&D investment into higher value, more sophisticated products and electrification products.

Income from operations

Income from operations was \$2.1 million, a decrease of 8.4% from \$2.2 million in the third quarter of 2020.

Net Income

Net Income was \$1.3 million, an increase of 172.5% from \$0.5 million in the third quarter of 2020.

Earnings per share

Basic and diluted net income per ordinary share was \$0.09, an increase of 350.0% from \$0.02 in the third quarter of 2020.

Business Outlook

For the full year of 2021, the Company maintained its guidance for total revenues to be between \$90 million to \$100 million, representing an increase of approximately 35% to 49% year over year from 2020.

The above outlook is based on information available as of the date of this press release and reflects the Company's current and preliminary expectations regarding its business situation and market conditions. The outlook is subject to change, especially considering the uncertainties that may result from how the COVID-19 pandemic develops globally.

Conference Call

The Greenland Technologies Holding Corporation management team will host an earnings conference call at 8:00 AM on Thursday, November 11, 2021, U.S. Eastern Time (9:00 PM on November 11, 2021, Beijing/Hong Kong Time).

Please register in advance for the conference using the link below and dial in 10 minutes before the conference is scheduled to begin. Conference access information will be provided upon registration.

Online Participant Registration: <http://apac.directeventreg.com/registration/event/9156685>

A replay of the conference call may be accessed by phone at the following numbers until November 19, 2021. To access the replay, please reference the conference ID **9156685**.

	Phone Number
International	+61 2 8199-0299
United States	+1 (855) 452-5696
Hong Kong	+852 800963117
	+86 4006322162
Mainland China	+86 8008700205

A live and archived webcast of the conference call will be available at <https://ir.gtec-tech.com/>.

About Greenland Technologies Holding Corporation

Greenland Technologies Holding Corporation (NASDAQ: GTEC) is a developer and a manufacturer of drivetrain systems for material handling machineries and electric vehicles, as well as electric industrial vehicles. For more information visit <https://ir.gtec-tech.com/>.

Safe Harbor Statement

This press release contains statements that may constitute "forward-looking statements." Such statements reflect Greenland's current views with respect to future events and are subject to such risks and uncertainties, many of which are beyond the control of Greenland, including those set forth in the Risk Factors section of Greenland's Annual Report on Form 10-K and Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission ("SEC"). Copies are available on the SEC's website, www.sec.gov. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Greenland's expectations with respect to future performance. In addition, there is uncertainty about the further spread of the COVID-19 virus or the occurrence of another wave of

cases and the impact it may have on the Company's operations, the demand for the Company's products, global supply chains and economic activity in general. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated or expected. Statements contained in this news release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Greenland does not intend and does not assume any obligation to update these forward-looking statements, other than as required by law.

Statement Regarding Preliminary Unaudited Financial Information

The unaudited financial information set out in this earnings release is preliminary and subject to potential adjustments. Adjustments to the consolidated financial statements may be identified when audit work has been performed for the Company's year-end audit, which could result in significant differences from this preliminary unaudited financial information.

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GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(UNAUDITED, IN U.S. DOLLARS)

	For the three months ended September 30,		For the nine months ended September 30,	
	2021	2020	2021	2020
REVENUES	\$ 23,084,793	\$ 16,520,598	\$ 75,899,994	\$ 42,969,010
COST OF GOODS SOLD	17,987,363	13,122,382	59,993,008	34,764,736
GROSS PROFIT	5,097,430	3,398,216	15,906,986	8,204,274
Selling expenses	522,770	270,654	1,397,462	792,030
General and administrative expenses	1,150,769	324,073	2,814,120	1,841,958
Research and development expenses	1,372,215	564,204	3,337,056	1,604,151
Total operating expenses	\$ 3,045,754	\$ 1,158,931	\$ 7,548,638	\$ 4,238,139
INCOME FROM OPERATIONS	\$ 2,051,676	\$ 2,239,285	\$ 8,358,348	\$ 3,966,135
Interest income	4,737	66,960	14,165	142,791
Interest expense	(106,506)	(231,760)	(508,359)	(942,524)
Other income	231,466	(1,267,982)	829,556	(415,150)
INCOME BEFORE INCOME TAX	\$ 2,181,373	\$ 806,503	\$ 8,693,710	\$ 2,751,252
INCOME TAX	927,844	346,502	1,844,619	491,660
NET INCOME	\$ 1,253,529	\$ 460,001	\$ 6,849,091	\$ 2,259,592
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	225,181	252,068	911,422	535,898
NET INCOME ATTRIBUTABLE TO GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES	\$ 1,028,348	\$ 207,933	\$ 5,937,669	\$ 1,723,694
OTHER COMPREHENSIVE INCOME (LOSS):	(605,515)	3,657,192	(29,781)	2,410,267
Unrealized foreign currency translation income (loss) attributable to Greenland technologies holding corporation and subsidiaries	(433,694)	2,863,032	(31,313)	2,303,218

Unrealized foreign currency translation income (loss) attributable to Noncontrolling interest	(171,821)	794,160	1,532	107,049
Comprehensive income	594,654	3,070,965	5,906,356	4,026,912
Noncontrolling interest	53,360	1,046,228	912,954	642,947
WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING:				
Basic and diluted	11,371,171	10,021,142	10,749,425	10,017,204
NET INCOME PER ORDINARY SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:				
Basic and diluted	0.09	0.02	0.55	0.17

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

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020

(IN U.S. DOLLARS)

	September 30, 2021	December 31, 2020
	(Unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 9,020,787	\$ 7,159,015
Restricted cash	6,635,569	2,244,038
Short term investment	500,000	-
Notes receivables	37,028,350	30,803,772
Accounts receivable, net of allowance for doubtful accounts of \$999,026 and \$986,532, respectively	21,321,082	12,408,548
Inventories	20,608,956	15,380,063
Due from related parties-current	39,026,289	38,535,171
Advance to suppliers	207,371	447,901
Prepayments and other current assets	94,239	664,926
Total Current Assets	\$ 134,442,643	\$ 107,643,434
Non-current asset		
Property, plant, equipment and construction in progress, net	19,313,667	20,135,339
Land use rights, net	4,014,734	4,035,254
Other intangible assets	-	-
Due from related parties – non-current	-	-
Deferred tax assets	158,431	158,455
Goodwill	3,890	3,890
Operating lease right-of-use assets	88,783	
Other non-current assets	37,210	158,455
Total non-current assets	\$ 23,616,715	\$ 24,335,303
TOTAL ASSETS	\$ 158,059,358	\$ 131,978,737

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

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF SEPTEMBER 30, 2021 AND DECEMBER 31, 2020 (Continued)

(IN U.S. DOLLARS)

	September 30, 2021	December 31, 2020
	(Unaudited)	
Current Liabilities		
Short-term bank loans	\$ 8,664,680	\$ 18,487,356
Notes payable-bank acceptance notes	42,626,471	25,889,067
Accounts payable	28,288,161	22,005,260
Customer deposits	335,631	366,029
Due to related parties	7,514,772	9,051,119
Other current liabilities	1,490,381	2,212,325
Current portion of operating lease liabilities	32,806	-
Long-term payable- current portion	390,293	797,179
Total current liabilities	\$ 89,343,195	\$ 78,808,335
Long-term liabilities		
Long term operating lease liabilities	56,128	-
Long-term payables	-	166,292
Other long-term liabilities	2,183,427	2,342,648
Total long-term liabilities	\$ 2,239,555	\$ 2,508,940
TOTAL LIABILITIES	\$ 91,582,750	\$ 81,317,275
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Ordinary shares, no par value, unlimited shares authorized; 11,371,171 and 10,225,142 shares issued and outstanding as of September 30, 2021 and December 31, 2020.	-	-
Additional paid-in capital	21,983,495	13,707,39
Statutory reserves	3,842,331	4,517,117
Retained earnings	33,340,787	26,728,332
Accumulated other comprehensive loss	418,351	(62,925)
Total shareholders' equity	\$ 59,584,964	\$ 44,889,922
Non-controlling interest	6,891,644	5,771,540
TOTAL EQUITY	\$ 66,476,608	\$ 50,661,462
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 158,059,358	\$ 131,978,737

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

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