



Greenland Technologies Reports Fourth Quarter and Full Year 2021 Unaudited Financial Results

March 28, 2022

- **48% Increase in FY21 Revenue to \$98.8 Million Compared to FY20**
- **14% Increase in FY21 Net Income to \$7.3 Million Compared to FY20**
- **Cash Balance Nearly Doubles to \$17.8 Million**
- **Company Expects Continued Growth in 2022 as Production Ramps**

EAST WINDSOR, N.J., March 28, 2022 /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 fourth quarter and full year ended December 31, 2021.



Full Year 2021 Financial and Operating Highlights

- **Total revenues** were \$98.8 million, an increase of 48% from \$66.9 million in 2020.
- **Gross margin** was 19.8%, an increase of 70 basis points year over year.
- **Net Income** was \$7.3 million, an increase of 14% from \$6.4 million in 2020.
- **Number of transmission products sold** was 141,431 units, an increase of 30% compared with 108,913 units in 2020.

Mr. Raymond Wang, Chief Executive Officer of Greenland Technologies Holding Corporation, commented, "This was a record year for Greenland as our team drove 48% growth in full year 2021 revenue compared to last year, while expanding our gross margin another 70 basis points to 19.8%. We introduced a series of popular new electric industrial vehicle models, expanded our new vehicle pipeline to reach additional categories in the industrial market and made major progress on our manufacturing strategy."

Mr. Wang added, "Our long-term vision remains for Greenland to be the global standard for electric industrial vehicles, which we believe deliver superior performance and a faster return on investment than traditional industrial vehicles. To that end, we recently announced a new distribution agreement with a minimum potential market value of \$5 million to \$8.4 million; and we announced new strategic partnerships for lithium battery solutions and autonomous vehicle technology. As a result, while we are pleased with our continued success and progress, we are even more excited about the Company's future, as we leverage our advantaged market position to capture an increased share of the growth opportunities in front of us."

Mr. Jing Jin, Chief Financial Officer of Greenland, commented: "We continued to drive record revenue growth and gross margin expansion led by higher transmission sales, while increasing investments in our infrastructure to support the next phase of our growth. Costs have increased in nearly all areas from materials to shipping, which we were able to partially mitigate through prior agreements we had in place but this remains a near-term headwind. Importantly, we continued to add to our revenue generating headcount, with sales and marketing hires, while also more than doubling our investment in R&D in support of our expanded product roadmap. Despite the significant increase in investment, operating expense as a percentage of total revenues increased only 2.3 percentage points from the prior year to 11.5% for the full year 2021. Finally, we took the opportunity in 2021 to fortify our balance sheet, giving us added flexibility as we move forward with the next phase of Greenland's growth."

Recent Developments and Strategic Highlights:

- **Major U.S. Manufacturing Expansion:** Greenland formally selected Maryland as the site for the next phase of the Company's major U.S. manufacturing expansion. Maryland's Governor Larry Hogan, noted, "As we continue to invest in new products and technologies, Greenland's vision and growth in electric industrial vehicles will fit in well with our state's innovation ecosystem."
- **\$5 million to \$8.4 Million Minimum Potential Agreement:** Greenland announced a new distribution agreement with a minimum potential market value of \$5 million to \$8.4 million to sell electric vehicles in Morocco. The agreement includes both fixed and adjustable minimum purchase requirements across a multi-year term to accommodate Greenland's expanding electric industrial vehicle product line.
- **Launch of GEX-8000 Electric Industrial Excavator:** Greenland launched its latest innovative industrial vehicle, the GEX-8000 Industrial Electric Excavator, marking another major expansion in the Company's product roadmap. The GEX-8000 Industrial Electric Excavator is powered by a 141 kWh lithium battery that boasts a rapid 2 hour charge time with 9 hours of operating time per charge. With an 8.0 ton rated load, the powerful yet zero operating emissions GEX-8000 is positioned to help further modernize the global industrial equipment market.
- **Launch of GEL-1800 Electric Wheeled Front Loader:** Greenland's new GEL-1800 Electric Loader is powered by an environmentally-friendly 141 kWh lithium battery. The zero operating emissions GEL-1800 boasts a rapid 2 hour charge, with nine hours of operating time on a single charge. The GEL-1800 answers some of the biggest issues facing modern facility managers, with its clean and sustainable power, zero operating emissions, and both 60% less operating noise and lower maintenance costs compared to diesel internal combustion vehicles.
- **Lithium Battery Strategic Partnership:** Greenland announced an exciting new strategic partnership with Princeton NuEnergy Inc. The two companies will collaborate to create a safe and sustainable recycling solution for end-of-life

lithium-ion batteries used in Greenland's electric industrial vehicles including electric forklifts, electric loaders and electric excavators to further minimize their environmental footprint.

- **Self-Driving / Autonomous Vehicle Partnership:** There are currently more than 850,000 forklifts operating in the U.S. alone. Greenland and Cyngn will work together to bring scalable, secure, and reliable self-driving capabilities to this widely-used and ubiquitous vehicle type, and other industrial applications.

Full Year 2021 Financial Results

Total revenues were \$98.8 million, an increase of 48% from \$66.9 million in 2020. The increase was primarily due to the significant increase in our sales volume that resulted from increased customer demand and Greenland's effective supply chain management, which allowed it to partially mitigate the impact from logistics constraints and materials shortages. The number of transmission products sold increased 30% to 141,431 units from 108,913 units in 2020.

Costs of goods sold were \$79.2 million, an increase of 47% from \$54.1 million in 2020. The increase was primarily due to the increase in sales volume and the increase in raw material prices.

Gross profit was \$19.6 million, an increase of 53% from \$12.8 million in 2020. Gross margin was 19.8%, up 70 basis points from 2020. The increase was primarily due to the ongoing strategic product mix shift towards higher value, more sophisticated products, such as hydraulic transmission products.

Total operating expenses were \$11.3 million, up 86% from \$6.1 million in 2020. Operating expense as a percentage of total revenues was 11.5%, an increase of 2.3 percentage points from 2020. The increase in operating expenses was primarily due to the Company's investments in support of its higher revenue level and targeted growth, with an expansion of its revenue generating headcount and a more than doubling of its R&D for the full year 2021 compared to the full year 2020.

Income from operations was \$8.3 million, an increase of 23% from \$6.7 million in 2020.

Net Income was \$7.3 million, an increase of 14% from \$6.4 million in 2020.

Basic and diluted net income per ordinary share was \$0.58, compared with \$0.67 in 2020.

Fourth Quarter 2021 Financial Results

Total revenues were \$22.9 million, compared with \$23.9 million in the fourth quarter of 2020. The slight decline was due to the recognition of orders that accumulated during the pandemic but were not fulfilled until the fourth quarter of 2020, combined with the adverse impact in the fourth quarter of 2021 of ongoing supply chain constraints that limited availability of necessary materials and components. The number of transmission products sold was 31,349 units, compared with 37,164 units in the fourth quarter of 2020.

Costs of goods sold were \$19.3 million, almost unchanged from the fourth quarter of 2020.

Gross profit was \$3.7 million, compared with \$4.6 million in the fourth quarter of 2020. Gross margin was 16.1%, compared with 19.3% in the fourth quarter of 2020, as a result of the lower revenue and higher raw material prices.

Total operating expenses were \$3.8 million, up 103% from \$1.9 million in the fourth quarter of 2020. Operating expense as a percentage of total revenues was 16.5%, compared to 7.8% in the fourth quarter of 2020. The increase in operating expenses was primarily due to the Company's investments in support of its growth strategy, with an expansion of its revenue generating headcount and 180% increase in its R&D on a year over year basis.

Loss from operations was \$0.1 million, compared with income from operations of \$2.7 million in the fourth quarter of 2020.

Net Income was \$0.4 million, compared with \$2.2 million in the fourth quarter of 2020.

Basic and diluted net income per ordinary share was \$0.03, compared with \$0.31 in the fourth quarter of 2020.

Business Outlook

For the full year of 2022, the Company expects to deliver between 100 to 150 vehicles.

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 which 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 Monday, March 28, 2022, U.S. Eastern Time (8:00 PM on March 28, 2022, 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/2738409>

A replay of the conference call may be accessed by phone at the following numbers until April 5, 2022. To access the replay, please reference the conference ID **2738409**.

	Phone Number
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International	+61 2 9003-4211
United States	+1 (855) 452-5696
China Hong Kong	+852 800963117
	+86 4008209035
Mainland China	+86 8009880552

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 INCOME AND COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(IN U.S. DOLLARS)

	For the years ended	
	December 31,	
	2021	2020
REVENUES	\$ 98,839,900	\$ 66,864,375
COST OF GOODS SOLD	79,246,280	54,051,367
GROSS PROFIT	19,593,620	12,813,008
Selling expenses	1,868,156	1,588,302
General and administrative expenses	3,948,850	2,131,405
Research and development expenses	5,526,546	2,384,951

Total operating expenses	\$ 11,343,552	\$ 6,104,658
INCOME FROM OPERATIONS	\$ 8,250,068	\$ 6,708,350
Interest income	68,295	2,645
Interest expense	(587,264)	(930,634)
Loss on disposal of property and equipment	1,785	(79,216)
Other income/(loss)	1,378,597	1,002,642
Remeasurement gain from change in functional currency	-	1,940,773
INCOME BEFORE INCOME TAX	\$ 9,111,481	\$ 8,644,560
INCOME TAX	1,843,260	2,272,997
NET INCOME	\$ 7,268,221	\$ 6,371,563
LESS: NET INCOME (LOSS) ATTRIBUTABLE TO NONCONTROLLING INTEREST	1,002,643	(386,939)
NET INCOME ATTRIBUTABLE TO GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES	\$ 6,265,578	\$ 6,758,502
OTHER COMPREHENSIVE INCOME (LOSS):	1,476,710	937,629
Unrealized foreign currency translation income (loss) attribute to Greenland technologies holding corporation and subsidiaries	1,077,324	298,056
Unrealized foreign currency translation income (loss) attribute to Noncontrolling interest	399,386	639,573
Comprehensive income	7,342,902	7,056,558
Noncontrolling interest	1,402,029	252,634
WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING:		
Basic and diluted	10,840,638	10,037,249
NET INCOME PER ORDINARY SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
Basic and diluted	0.58	0.67

See accompanying notes to the consolidated financial statements.

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020
(IN U.S. DOLLARS)

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 11,062,590	\$ 7,159,015
Restricted cash	6,738,302	2,244,038
Short Term Investment	2,105,938	-
Notes receivable	37,551,121	30,803,772
Accounts receivable, net of allowance for doubtful accounts of \$859,319 and \$986,532, respectively	15,915,002	12,408,548
Inventories	25,803,474	15,380,063
Due from related parties-current	39,679,565	38,535,171
Advance to suppliers	434,893	447,901
Prepayments and other current assets	14,518	664,926
Total Current Assets	\$ 139,305,403	\$ 107,643,434
Non-current asset		
Property, plant, equipment and construction in progress, net	18,957,553	20,135,339
Land use rights, net	4,035,198	4,035,254
Deferred tax assets	141,623	158,455
Goodwill	3,890	3,890
Operating lease right-of-use assets	80,682	-
Other non-current assets	44,093	2,365
Total non-current assets	\$ 23,263,039	\$ 24,335,303
TOTAL ASSETS	\$ 162,568,442	\$ 131,978,737

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020 (Continued)
(IN U.S. DOLLARS)

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Current Liabilities		
Short-term bank loans	\$ 8,760,945	\$ 18,487,356

Notes payable-bank acceptance notes	42,093,061	25,889,067
Accounts payable	29,064,132	22,005,260
Taxes payables	108,058	-
Customer deposits	387,919	366,029
Due to related parties	3,619,459	9,051,119
Other current liabilities	1,198,427	2,212,325
Current portion of operating lease liabilities	33,308	-
Lease obligations - current	197,915	797,179
Total current liabilities	\$ 85,463,224	\$ 78,808,335
Long-term liabilities		
Lease obligations – non-current	-	166,292
Long term operating lease liabilities	47,614	-
Other long-term liabilities	2,212,938	2,342,648
Total long-term liabilities	\$ 2,260,552	\$ 2,508,940
TOTAL LIABILITIES	\$ 87,723,776	\$ 81,317,275
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Ordinary shares, no par value, 11,329,530 shares authorized; 11,329,530 and 10,225,142 shares issued and outstanding as of December 31, 2021 and December 31, 2020.	-	-
Additional paid-in capital	23,759,364	13,707,398
Statutory reserves	3,842,331	4,517,117
Retained earnings	33,668,696	26,728,332
Accumulated other comprehensive income (loss)	1,014,399	(62,925)
Total shareholders' equity	\$ 62,284,790	\$ 44,889,922
Non-controlling interest	12,559,876	5,771,540
TOTAL EQUITY	\$ 74,844,666	\$ 50,661,462
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 162,568,442	\$ 131,978,737

See accompanying notes to the consolidated financial statements.

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