



Greenland Technologies Reports Record First Quarter 2022 Revenue

May 16, 2022

- **19% Increase in 1Q22 Revenue to Record \$29.3 Million Compared to 1Q21**
- **19% Increase in 1Q22 Net Income to \$2.9 Million Compared to 1Q21**
- **Cash Balance Rises 30% to \$13.2 Million**

EAST WINDSOR, N.J., May 16, 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 first quarter ended March 31, 2022.



First Quarter 2022 Financial and Operating Highlights

- **Total revenues** were \$29.3 million, an increase of 19% from \$24.6 million in the same period of 2021.
- **Gross margin** was 21.7%, an increase of 100 basis points year over year.
- **Net Income** was \$2.9 million, an increase of 19% from \$2.4 million in the same period of 2021.
- **Number of transmission products sold** was 41,902 units, an increase of 13% compared with 36,986 units in the same period of 2021.

Mr. Raymond Wang, Chief Executive Officer of Greenland Technologies Holding Corporation, commented, "We delivered our highest quarterly revenue to date, as we drove 19% year over year growth in first quarter revenue and a 19% year over year increase in net income. Our team continues to make impressive progress executing on our rapidly expanding industrial electric vehicle product line, while at the same time moving forward with our U.S. production expansion to ensure we have capacity to support the overwhelmingly positive customer response and expected long-term demand."

Mr. Wang added, "Our ongoing strategic shift toward higher-value, feature-rich products helped drive a 100 basis points improvement in gross margin to 21.7%. Additionally, our electric industrial vehicle division is on track with our upcoming assembly facility in Baltimore County, Maryland on schedule for a July opening. Though the industry is facing continued headwinds from the pandemic lockdown in China, we remain optimistic given the long-term transformation of the industrial vehicle industry, led by demand for cleaner, greener electric vehicles and support from local legislation. With our proven track record and expanding product roadmap, we are positioned to address the growing demand for our industrial electric vehicles, as we focus on building increased value for shareholders."

Mr. Jing Jin, Chief Financial Officer of Greenland, commented: "Demand for Greenland's transmission products remained strong, as we leverage our global brand, inventory management and performance track record to partially offset headwinds from higher raw materials and component prices, COVID-19 shutdowns, global inflation, and higher logistics costs. In addition to our strong 19% year over year revenue and 19% year over year net income growth, we further strengthened our balance sheet with a 30% increase in our cash on hand. This gives us added confidence and flexibility, as we continue to prioritize investments in R&D innovation and revenue generation, which we believe will drive Greenland's long-term market share gains in the electric industrial vehicle market and significant value creation for shareholders."

Recent Developments and Strategic Highlights:

- **Secured Lease On Assembly Facility:** Greenland has secured and fully executed a lease on its first assembly facility located in Baltimore County, Maryland. The site is over 54,000 sq ft and will produce over 500 electric heavy equipment units per year when fully operational. 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 innovative ecosystem."
- **Launched of New HEVI Brand:** Greenland has launched a new HEVI brand to encapsulate its electric heavy industrial equipment division. This brand replaces Greenland Machinery and better exemplifies the culture and objective of introducing clean and sustainable alternatives to the industrial equipment industry.
- **Passed Clean Cars Act of Maryland:** Greenland supported the passing of HB1391 – Maryland Clean Cars Act of 2022 that will introduce consumer incentives for electric heavy industrial equipment purchases within the state effective July 1, 2022.

First Quarter 2022 Financial Results

Total revenues were \$29.3 million, an increase of 19% from \$24.6 million in the first quarter of 2021. The increase was primarily due to higher sales volume, driven by continued demand for the Company's products and its effective supply chain management. The number of transmission products sold was 41,902 units, up 13% from 36,986 units in the first quarter of 2021.

Costs of goods sold were \$22.9 million, an increase of 18% from \$19.5 million in the first quarter of 2021. The increase was primarily due to the increase in sales volume, higher cost of raw materials and components, higher shipping costs and higher logistics costs.

Gross profit was \$6.4 million, an increase of 25% from \$5.1 million in the first quarter of 2021. Gross margin was 21.7%, an increase of 100 basis points from 20.7% in the first quarter of 2021, as a result of the Company's strategic shift towards higher value, more sophisticated products, such as hydraulic transmissions.

Total operating expenses were \$3.0 million, up 33% from \$2.2 million in the first quarter of 2021. Operating expenses as a percentage of total revenues was 10.2%, compared to 9.1% in the first quarter of 2021. The increase in operating expenses was primarily due to the Company's investments in support of its growth strategy, with an expansion of revenue-generating and R&D efforts.

Income from operations was \$3.4 million, an increase of 18% from \$2.9 million in the first quarter of 2021.

Net Income was \$2.9 million, an increase of 19% from \$2.4 million in the first quarter of 2021.

Basic and diluted net income per ordinary share was \$0.16, compared with \$0.21 in the first quarter of 2021.

Conference Call

The Greenland Technologies Holding Corporation management team will host an earnings conference call at 8:00 AM on Monday, May 16, 2022, U.S. Eastern Time (8:00 PM on May 16, 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/2888891>

A replay of the conference call may be accessed by phone at the following numbers until May 24, 2022. To access the replay, please reference the conference ID **2888891**.

	Phone Number
International	+61 2 8199-0299
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. Information on the Company's clean industrial heavy equipment division can be found at [HEVI Equipment](https://www.gtec-tech.com/HEVI-Equipment), its new clean industrial heavy equipment division. For additional 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 MONTHS ENDED MARCH 31, 2022 AND 2021
(UNAUDITED, IN U.S. DOLLARS)

	For the three months ended March 31,	
	2022	2021
REVENUES	\$ 29,306,957	\$ 24,610,894
COST OF GOODS SOLD	22,938,983	19,506,507
GROSS PROFIT	6,367,974	5,104,387
Selling expenses	639,647	379,230
General and administrative expenses	1,279,746	911,139
Research and development expenses	1,082,594	959,545
Total operating expenses	\$ 3,001,987	\$ 2,249,914
INCOME FROM OPERATIONS	\$ 3,365,987	\$ 2,854,473
Interest income	12,562	4,595
Interest expense	(105,009)	(180,189)
Loss on disposal of property and equipment	(404)	(1,770)
Other income	261,032	288,746
INCOME BEFORE INCOME TAX	\$ 3,534,168	\$ 2,965,855
INCOME TAX	619,370	522,616
NET INCOME	\$ 2,914,798	\$ 2,443,239
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	1,127,746	314,671
NET INCOME ATTRIBUTABLE TO GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES	\$ 1,787,052	\$ 2,128,568
OTHER COMPREHENSIVE INCOME (LOSS):	373,910	(258,229)
Unrealized foreign currency translation income (loss) attributable to Greenland technologies holding corporation and subsidiaries	248,082	(189,103)
Unrealized foreign currency translation income (loss) attributable to Noncontrolling interest	125,828	(69,126)
Comprehensive income (loss)	2,035,134	1,939,465
Noncontrolling interest	1,253,574	245,545
WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING:		
Basic and diluted	11,329,530	10,333,968
NET INCOME PER ORDINARY SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:		
Basic and diluted	0.16	0.21

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021
(IN U.S. DOLLARS)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,853,839	\$ 11,062,590

Restricted cash	6,330,613	6,738,302
Short Term Investment	4,066,630	2,105,938
Notes receivable	33,524,960	37,551,121
Accounts receivable, net of allowance for doubtful accounts of \$869,034 and \$859,319, respectively	24,715,861	15,915,002
Inventories	24,963,483	25,803,474
Due from related parties-current	39,790,638	39,679,565
Advance to suppliers	632,664	434,893
Prepayments and other current assets	80,782	14,518
Total Current Assets	\$ 140,959,470	\$ 139,305,403
Non-current asset		
Property, plant, equipment and construction in progress, net	18,553,625	18,957,553
Land use rights, net	4,032,128	4,035,198
Deferred tax assets	676,622	141,623
Goodwill	3,890	3,890
Operating lease right-of-use assets	72,480	80,682
Other non-current assets	42,892	44,093
Total non-current assets	\$ 23,381,637	\$ 23,263,039
TOTAL ASSETS	\$ 164,341,107	\$ 162,568,442

GREENLAND TECHNOLOGIES HOLDING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021 (Continued)
(IN U.S. DOLLARS)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Current Liabilities		
Short-term bank loans	\$ 9,595,697	\$ 8,760,945
Notes payable-bank acceptance notes	37,072,247	42,093,061
Accounts payable	32,257,872	29,064,132
Taxes payables	-	108,058
Customer deposits	443,138	387,919
Due to related parties	2,022,459	3,619,459
Other current liabilities	2,307,551	1,198,427
Current portion of operating lease liabilities	33,816	33,308
Lease obligations - current	198,954	197,915
Total current liabilities	\$ 83,931,734	\$ 85,463,224
Long-term liabilities		
Lease obligations – non-current	-	-
Long term operating lease liabilities	38,994	47,614
Other long-term liabilities	2,159,936	2,212,938
Total long-term liabilities	\$ 2,198,930	\$ 2,260,552
TOTAL LIABILITIES	\$ 86,130,664	\$ 87,723,776
COMMITMENTS AND CONTINGENCIES		
EQUITY		
Ordinary shares, no par value, unlimited 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	23,836,433	23,759,364
Statutory reserves	3,842,331	3,842,331
Retained earnings	35,455,748	33,668,696
Accumulated other comprehensive income (loss)	1,262,481	1,014,399
Total shareholders' equity	\$ 64,396,993	\$ 62,284,790
Non-controlling interest	13,813,450	12,559,876
TOTAL EQUITY	\$ 78,210,443	\$ 74,844,666
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 164,341,107	\$ 162,568,442

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SOURCE Greenland Technologies Holding Corporation