

PRESS RELEASE

Ad hoc announcement pursuant to article 53 LR

Gotion High-tech Announces Results for the Third Quarter of 2022

Hefei, China, October 26, 2022 - Gotion High-tech Co., Ltd. (the "Company") today announced its performance for the nine months ended September 30, 2022:

- In the first three quarters of 2022, the Company's operating income increased to 14.426 billion yuan, an increase of 152.00% over the same period last year. Sales continued to grow as a result of the strong demand for new energy vehicles and energy storage in the global market, enabled by an increase in the Company's production capacity, steadily improving production operation and product development breakthroughs.
- In the first three quarters of 2022, the Company achieved a net profit attributable to the listed company of 150 million yuan, with a year-on-year growth of 121%, mainly due to the substantial increase in the Company's product sales and cost savings from insourced raw materials production, partially offset by an increase in employee incentive and R&D investment costs.
- The total R&D investment in the first three quarters of 2022 was 1.039 billion yuan, a year-on-year increase of 191.89%. The Company increased its R&D investment, gathered global R&D forces, progressed the development of advanced materials, and maintained a leading position in technology.
- In the first three quarters of 2022, due to the improvement of sales collection capacity, the net cash flow from operating activities reached 84.75 million yuan, an increase of 31% over the same period of the previous year.

Gotion High-tech Co., Ltd. today announced its results for the third quarter:

In the first three quarters of 2022, the production and sales of the Company increased,

and the production and operation continued to improve. The Company continued to benefit from the rapid development of the new energy industry and sped up the overall arrangement in the whole industrial chain. For instance, the Company's Jiangxi Yichun Lithium Mining Project and Lujiang High-end Cathode Material Project are progressing smoothly, and the Company aims to further optimize production costs. At the same time, the power battery bases of the Company, such as 20GWh in Nanjing Base and 10GWh in Tongcheng Base, have been put into operation gradually, the capacity scale has been continuously improved, creating economies of scale. The Company continued to optimize its customer structure and further developed its energy storage business. The Company's delivery volume grew rapidly, and its operating performance showed significant growth.

Financial Results (unaudited)

Unit: million RMB

	First three quarters of 2022	First three quarters of 2021	Year on year growth
Operating income	14,426	5,724	152%
Total operating cost	14,823	5,866	153%
Operating profit	129	80	61.25%
Total profit	133	84	58.33%
Net profit	189	80	136%
Net profit attributable to shareholders of the listed company	150	67	121%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-359	-172	
Gross profit margin on sales (%)	14.11	20.26	-6.15

Full third quarter report

The full three-quarter results report as of and for the nine months ended September 30, 2022 is available on our website at <https://en.gotion.com.cn/financial-reporting-release>

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About Gotion

Gotion High-tech Co., Ltd., as the first private enterprise in the power battery industry to enter the capital market in China, was listed on the Shenzhen Stock Exchange in May 2015. The Company specializes in the development and manufacture of power batteries for new energy vehicles, energy storage application, power transmission and distribution equipment, etc.

Gotion High-tech is a technology-based Company focused on power battery technology research and development and innovation. It is one of the earliest enterprises engaged in the independent research and development, production and sales of new energy vehicle power lithium-ion batteries in China. Gotion High-tech has global operations and has carried out strategic cooperation with Volkswagen, Tata Group, Vinfast and Jinko, among others.

Disclaimers

This announcement contains forward-looking statements, estimates, opinions and projections with respect to anticipated future performance of the Company ("forward-looking statements"). These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "intends," "may," "will" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Forward-looking statements are based on the current views, expectations and assumptions of the management of the Company and involve significant known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Any forward-looking statements included herein only speak as at the date of this release.