

PRESS RELEASE

Ad hoc announcement pursuant to article 53 LR

Gotion High-tech releases results for the first half of 2022

Hefei, China, 26 August 2022 -- Gotion High-tech Co., Ltd. (the "Company") released its results for the first half of 2022 today:

- Revenue in the first half of 2022 increased to 8.638 billion RMB, an increase of 143.24% over the same period last year, driven by rising demand for power lithium batteries underpinned by the continued strong growth of the global new energy vehicle and energy storage markets.
- According to the data of SNE research, the global power battery installed capacity of Gotion is 5.8GWh, with a market share of 2.9%, ranking the 8th in the world among power battery enterprises.
- In the first half of 2022, the Company has achieved a net profit of 77.4982 million RMB, a year-on-year increase of 40.86%, mainly due to an increase in operating income by the enhancement of the Company's production capacity, and in spite of the further rise in material costs, employee option incentive expenses and the increase in R&D investment.
- In the first half of 2022, Gotion increased its R&D investment, with a total investment of over 510 million RMB, an increase of 104.97% over the same period last year.
- The net cash flow from operating activities reached 91.6 million RMB, which increased by 6.38% compared with the same period of last year due to the improvement of the ability to payment collection from sales.
- The business outside Chinese mainland (including Hong Kong, Macao and Taiwan) has developed rapidly, with a revenue of 837 million RMB, an increase of 397.08% over the same period last year.

Gotion High-tech released its revenue of the first half today:

In the first half of 2022, Gotion continues to increase the R&D investment and improve the upstream and downstream battery industrial chain system, covering most of the raw materials for lithium battery production. The Company also developed its materials production bases in Lujiang, Feidong, Yichun, Wuhai of China and Jujuy of Argentina, with five major materials bases starting to take shape. With the share of Lithium Iron Phosphate in the e-car rising, Gotion has effectively controlled the cost and achieved product competitiveness. Carbon neutrality and new energy industry policies around the world are driving the rapid development of the new energy vehicle industry and energy storage, which brings new

development opportunities for the Company. In addition, Gotion continues to expand the layout of overseas production bases, forming an integrated supporting system of international research, production, supply and marketing. On this basis, many projects of Gotion have been put into production, and the scale effect of production capacity has been further highlighted, which the Company believes provides strong support for its strategic development.

Break-down by product line

In the first half of 2022, the shipments of all production lines have increased globally.

Among them, the revenue of power lithium battery business reached 6.609 billion RMB, up 113.93% compared with the same period last year, accounting for 83.3% of the total revenue. The strong demand of global new energy market and policy support are the main driving force for the business. According to the analytics firm of China Battery Enterprise Alliance (CBEA), from January to June in 2022, Gotion has installed more than 250,000 passenger cars, accounting for 5.9% of CBEA and ranking 5th globally. The sales volume of new energy passenger vehicles in China reached 2.36 million, and the loading volume of Gotion was 228,000, with a year-on-year increase of 81%. Our market share reached 9.7%, ranking among the top three in China.

The revenue of energy storage battery business reached 1.279 billion RMB, accounting for 14.8% of the total revenue. This is the first time that Gotion has disclosed the revenue of the business. Recently, the Chinese government has made it clear that energy storage is an indispensable element of the new power system, which is included in the 14th Five-Year Plan, to provide a series of policy guidance. In addition, in the context of carbon neutrality, the global energy storage market is also developing at the same time, which jointly drives the development of the company's energy storage business.

Revenue from the transmission and distribution equipment business was 323 million RMB, down 4.02% from the same period last year, accounting for 3.74% of total revenue. Total revenue from other related businesses was 427 million RMB, up 241.29% from the same period last year and accounting for 4.95% of total revenue.

Break-down by geographic area

In the first half of this year, while maintaining the leading edge in the Chinese market, Gotion continued to focus on the two big markets in Europe and America, and also the Asia Pacific market. The market outside Chinese mainland has become a new growth point of the company.

Revenue in mainland China reached 7.87 billion RMB, up 132.53% from the same period last year, accounting for 91.06% of total revenue. The growth of this part mainly comes from the positive guidance of China's new energy industry policy, the strong market demand and the continuous expansion of the company's production capacity.

Revenue from regions outside Chinese mainland (including Hong Kong, Macao and Taiwan) reached 771 million RMB, up 358.28% from the same period last year and accounting for 8.94% of total revenue. This part of growth mainly comes from the accelerated pace of the company's international strategy. In the first half of the year, Gotion not only officially became the battery supplier of Volkswagen Group in China, but also acquired the Bosch Gottingen factory in Germany and established the Gotion German base. On the basis of the cooperation with the well-known listed automobile company in the United States and Tata in India, Gotion has carried out strategic cooperation with the largest automobile enterprise in Vietnam, VinFast, to speed up the process of entering the European, American and Southeast Asian markets.

Financial Results (*unaudited*)

Unit: million RMB

	2022 semi-report	2021 semi-report	Year-on-year basis
Gross operating income	8637	3551	143.24%
Total operating cost	8853	3643	
Operating profit	53	58	
Total profit	56	66	
Net profit	77	55	40%
Net profit attributable to shareholders of the parent company	65	48	34.14%
Net profit attributable to shareholders of the parent company after deducting non-recurrent gains and losses	-173	-113	
Gross profit margin on sales (%)	14.42	19.88	-5.46

Net profit margin on sales (%)	0.89	1.55	
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	Operating income	Operating cost	Gross profit margin	Operating income compared with the same period last year	Operating costs increased or decreased compared to the same period of the previous year	Gross profit margin increased or decreased compared to the same period of the previous year
product-classified						
Power lithium battery	6,608.00	5,783.00	12.49%	113.93%	131.89%	-35.17%
Transmission and distribution equipment	323.00	294.00	9.19%	-4.02%	-6.62%	37.50%
Energy storage battery	1,278.00	1,147.00	10.24%			
Other business	427.00	167.00	60.80%	241.29%	354.13%	-13.81%
region-classified						
Chinese mainland	7,866.00	6,915.00	12.08%	132.53%	151.31%	-35.22%
Overseas regions (including Hong Kong, Macao and Taiwan)	771.00	476.00	38.27%	358.28%	409.79%	-14.02%

Full Interim Report

Our full interim results report as of and for the six months ended 30 June 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 earliest private enterprise in power battery industry to enter the capital market in China, was listed on the Shenzhen Stock Exchange in May 2015, Specializing in power battery 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 may contain 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. Gotion undertakes no obligation, and does not expect to publicly update, or publicly revise, any of the information, forward-looking statements or the conclusions contained herein or to reflect new events or circumstances or to correct any inaccuracies which may become apparent subsequent to the date hereof, whether as a result of new information, future events or otherwise. Gotion accepts no liability whatsoever in respect of the achievement of such forward-looking statements and assumptions.