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Zacks Small-Cap Research

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CBAK Energy Technology (CBAT-NASDAQ)

CBAT: Strong demand from battery storage customers leads to profitability.

Utilizing estimates that assume capacity expansion targets are met and multiples for other battery manufacturers, we believe CBAT could be worth $1.80 per share but upside exists if new cell formats prove successful, if the sodium ion battery plant materializes, or if outside investments are secured.

Current Price (11/13/23)	$0.80
Valuation	**$1.80**

OUTLOOK

CBAK Energy Technology is in the early stages of an ambitious growth plan to expand its lithium-ion battery production capacity by more than 10x over the next 4 years and potentially launch the first facility for the mass production of sodium-ion cells.

Demand for lithium-ion batteries among energy storage companies remains strong and the company's third-quarter results significantly exceeded our expectations.

Financing the company's expansion plans could be challenging but strategic investors have expressed interest in working with CBAK to support these plans.

SUMMARY DATA

52-Week High	**$1.44**
52-Week Low	**$0.74**
One-Year Return (%)	**-36.6%**
Beta	**2.68**
Average Daily Volume (sh)	**124,489**
Shares Outstanding (mil)	**89**
Market Capitalization ($mil)	**$72**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**1**
Insider Ownership (%)	**13**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**54.1**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2023 Estimate	**N/A**
P/E using 2024 Estimate	**8.0**
Zacks Rank	**N/A**

Risk Level	**Above Avg.,**
Type of Stock	**Speculative**
Industry	**Energy storage**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	9 A	6 A	10 A	28 A	53 A
2022	80 A	56 A	58 A	54 A	249 A
2023	42 A	42.4 A	63.4 A	58.9 E	207.1 E
2024	55.9 E	67.8 E	72.2 E	76.3 E	272.2 E

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2021	$0.02 A	-$0.02 A	-$0.03 A	$0.05 A	$0.02 A
2022	-$0.01 A	-$0.02 A	$0.00 A	-$0.06 A	-$0.10 A
2023	-$0.02 A	-$0.03 A	$0.07 A	$0.01 E	$0.04 E
2024	$0.01 E	$0.02 E	$0.03 E	$0.03 E	$0.10 E

Zacks Projected EPS Growth Rate - Next 5 Years % **N/A**

*Quarterly EPS may not equal full year estimates due to rounding

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WHAT'S NEW

CBAK Energy Technology released Q3 Results which included the following highlights:

- Revenues grew sharply jumping 9.9% year over year and 49.6% sequentially to $63.4 million
- More importantly battery revenues grew to $44.3 million up $18.5 million or 71.5% from the same period of 2022.
- Sales of batteries used in electric vehicles rebounded a bit to $403 thousand, and sales of batteries for light electric vehicles (LEVs) slipped slightly to $1.1 million but the company's largest market, battery cells used in the uninterruptible power supply market, were up 73.5% to more than $42.8 million. Demand from new customers and additional volume from existing customers drove this outperformance. In 2023, the company has already received EUR116.5 million worth of orders from its largest customer, Viessmann Group.
- The company has moved from pilot production to initial deliveries with Anker Innovations, a leading provider of mobile charging products with annual revenues above $1 billion. While this partnership is relatively small today ($8 million in orders placed since signing in September) the company indicated that it anticipates monthly orders to continue. This relationship has the potential to become a significant contributor to growth in 2024 and beyond.
- The company also finalized an investment in BAK Power in Q3 which we will discuss in further detail below.

The global lithium-ion battery sector remains under pressure with investors weighing the risk of weaker consumer demand against government incentives to encourage broader adoption of battery technology. Additionally, pricing pressures in the market for EV battery cells have negatively impacted margins for some of the largest companies in the sector. However, CBAK appears to have dodged these issues by partnering with large storage companies in the market for uninterruptible power supplies. In addition, to strong core battery cell results, we think CBAK investors can look forward to updates on the company's transition to larger format battery cells, the successful expansion of its production facilities, and the commercialization of the sodium-ion battery cells.

Third Quarter 2023 Results

CBAK Energy reported Q3 2023 revenues of $63.4 million versus $57.7 million last year. More importantly, the company's revenue mix shifted sharply from lower margin battery raw materials (55% of sales of Q3 2022 sales) to higher value battery cell sales (69% of total sales in Q3 2023 sales). The company's contracts to supply cells to the power storage market continue to exceed expectations as customer demand remains robust and the company appears to be gaining the confidence of its customers that it can meet demand. Our initial thesis on CBAK was that as the company expanded operations in Nanjing and Dalian, that capacity would be absorbed by the market and so far, that seems to be the case.

The gross margin for the quarter was far above expectations at 19.3% driven by the improved revenue mix and lower costs of raw materials. We have adjusted our model to reflect a more favorable sales mix going forward, but we are not assuming costs will remain low in 2024-2025. The company has not provided forward guidance but management did note that additional operating efficiency should be realized as plant expansions continue. The company's operating expenses were roughly in line but the substantial topline improvement and gross margins in the battery business topping 26.4% in the quarter enabled CBAK to report net income of $6.3 million or $0.07/share. Our

original model did not have the company turning a profit until 2025 as we expected pricing pressure to limit margin expansion. We are remaining cautious in our model but we now forecast a positive EPS in both 2024 and 2025 as the company realizes expands its relationship with existing customers and brings new customers on board to absorb the capacity expansion at its two major facilities.

Balance Sheet: CBAK Energy ended the September quarter with $3.1 million in cash on the balance sheet and close to $88 million in pledged deposits and receivables. The company's current liabilities are troubling on the surface – jumping to $161 million at the end of September – as a result of higher payables, bank debt, and other accrued expenses. We do believe that the company's short-term bank debt will be converted to long-term debt as construction projects reach completion at the Nanjing and Dalian facilities.

Management indicated on the call that they have been having conversations with several private equity firms in China regarding potential investments in either the existing raw material business, the new sodium-ion battery business, or at the parent company level. While investors will have to be aware of any potential dilution if the company raises capital through the parent company, we think that the balance sheet remains an area of concern for investors and improving the capital structure will be a step in the right direction.

Recent News:

- **Initial order from Anker Innovations:** If you've purchased a power bank from Best Buy or Amazon there is a good chance that it was an Anker power bank as it has emerged as the leading brand for customers seeking reliable power on the go. Anker has a wide variety of products and sales of over $1 billion per year, so we view its adoption of CBAK cells as a strong endorsement. Anker began the relationship with a pilot production run and CBAK indicated that they are "deepening future cooperation" as initial production has gone very smoothly. While the initial order was for a little under $5 million and orders to date have been roughly $8 million, we believe this relationship could expand and become a meaningful contributor to operating results in the future.

- At the end of September, CBAK announced an investment in **BAK Power** (an unrelated entity). Under the terms of the agreement, Nanjing CBAK will invest $35 million in BAK Power for a 5% stake in the company. Since $35 million represents nearly 45% of CBAK's current market capitalization this is a meaningful investment for the company.

  We believe the terms were privately negotiated without an outside valuation but BAK Power has a strong reputation for innovation and we believe BAK Power has spurned other acquisition attempts in the past at higher valuations. BAK Power's strength seems to be in its work on 46800 cells which are seen by many as the best option for EV and energy storage. The allocation of significant capital for a minority interest in another cylindrical cell company is an interesting strategic decision given CBAK's current financial condition. We will wait to see if this investment and collaboration leads to new products before adjusting our model.

KEY POINTS

➢ CBAK Energy Technology (NASDAQ: CBAT) is an integrated lithium-ion battery company with manufacturing and raw materials divisions in China. The company operates manufacturing facilities in Dalian (a port city in Liaoning Province) and Nanjing (the capital of Jiangsu Province) with ambitious plans to expand production through 2027. The company indicated that they have reached 1 GWh of capacity at both the Nanjing and Dalian facilities as of 9/30/23 (2 GWh total).

➢ Demand for energy storage has ramped significantly in recent years and as industrial and grid storage needs emerge demand should accelerate further. The company appears to be establishing itself as a strong player in the market for large cylindrical cells. Today much of the company's production is 26-series cells but we anticipate that could shift to larger 46-series cells with higher energy density in the coming years.

➢ In 2024, the company expects to begin mass production of the new 46-series lithium-ion batteries – the 46115 – a larger battery than the popular 4680. We also could see news regarding the large-scale production of sodium-ion cells which would make CBAK one of the first companies to commercialize this technology. The company is considering several alternatives to speed up the process of bringing these cells to the market including seeking out strategic and/or financial partners. The company indicated that it hopes to develop a sodium-ion battery facility with a capacity of 10 GWh and they are currently reviewing possible site locations.

➢ The lithium-ion battery market is almost entirely dominated by large Asian (principally Chinese) manufacturers today. Most of these companies are focused on providing battery packs to the EV market which creates an opportunity for cylindrical cells in the energy storage market where CBAK is focusing its efforts. Margin pressure that has hit the leading EV battery cell manufacturers has not impacted CBAK as the company has remained focused principally on cylindrical cells for the energy storage market.

➢ As we noted in our initiation in August 2023, the acquisition of the Hitrans raw material business significantly impacted results in 2022 when soaring prices for raw materials boosted the company's top line significantly. Pricing has softened sharply in 2023 and Hitrans revenues have fallen sharply as a result. In the first 9 months of 2023, raw material sales (the Hitrans business) were just $52 million compared to $127.7 million a year ago. We have noted a substantial shift in the company's focus in its press releases and presentations concerning Hitrans and believe that if pricing stabilizes in that market, the company may seek strategic alternatives for this business so that investors can focus on CBAK as a pure battery manufacturing story.

➢ The company's ambitious expansion plans will likely require additional capital infusions, divestitures, or further government grants to become a reality. The company appears to have a well-designed plan for expanding its plants but the first steps are fairly modest. The company still hopes to expand from roughly 2 GWh of capacity today to well over 36 GWh of lithium-ion battery capacity, more than a 10-fold increase, in the next 4 years. We believe the company has begun the construction of phase 2 which has the potential to add 5 GWh of capacity at Nanjing. Financing and managing this growth in a difficult operating environment for lithium-ion battery manufacturers could prove challenging, but the opportunity presented by adding 5 GWh of production at Nanjing is worth watching.

➢ The company has a long history as a public company and frankly, it has overpromised and underdelivered too often during that period. We believe that the company remains a “show me” stock with investors which could explain why the stock was unchanged after reporting earnings despite substantially outperforming on the top and bottom line.

➢ The company reported over $120 million of orders have been placed for the company’s cells that have yet to be produced or delivered as of 11/1/2023. Management reported on the company’s conference call that the Dalian facility is scheduling orders for late 2024 and the Nanjing facility is “overwhelmed”. This level of backlog gives us increased confidence in our updated model which now shows the company generating a small profit in both 2024 and 2025.

➢ We are maintaining our target of $1.80/share for CBAK based on a blended valuation of our 2024 revenue forecast for the battery business and Hitrans. The stock has underperformed since our initiation in part due to the concerns around margins in the lithium-ion market which doesn’t seem to be impacting CBAK. If the company can unlock value in its new sodium-ion business our price target could prove to be conservative.

RISKS

- The PRC government exerts substantial influence over a wide variety of issues related to the company’s business. Since the company is based in the US with China-based operating subsidiaries, there are several issues related to the government’s oversight that could result in a material adverse change in the company’s operations and subsequently, the value of CBAK’s common stock. In addition, it should be noted that rules and regulations in China can change quickly with little advance notice.

- The company’s independent auditors have expressed substantial doubt about its ability to continue as a going concern. The company is working with its banks and lenders to ensure that they will have access to credit but improving the company’s profitability will be an important step toward resolving this issue.

- The competitive landscape for lithium batteries is intense and many of the company’s competitors are in much stronger financial positions. In the long run, the company will also face increased competition from new facilities that are expected to be built in North America and the EU.

- The company’s customer concentration remains very high and the loss of any significant customer could impact the company’s financial stability. In 2022, roughly 70% of revenues were derived from the company’s five largest customers. In the battery business, customer concentration could be even higher. The acquisition of Viessmann by Carrier presents an opportunity and a risk given the proportion of battery sales Viessmann represents.

- The company indicated that it identified a material weakness in its internal control over financial reporting. Management believes that the company did not have appropriate policies and procedures in place to evaluate proper accounting and disclosures of key documents and agreements, and there was insufficient accounting personnel with an appropriate level of technical accounting knowledge. The company has implemented additional training to address this issue but it remains a risk. As noted in recent news, the company elected to change its auditor in July 2023 and we will see if this leads to improved internal financial controls.

VALUATION

CBAK has successfully launched lithium-ion battery manufacturing operations and now has a large and growing battery cell business. In Q3 2023, uninterruptible battery sales of $42.8 million exceeded the total battery sales of the company for the full year of 2021 ($34.3 million). As new capacity comes online, we believe the company is about to enter a period of significant growth despite the challenges facing the broader lithium-ion battery market. If the company can reach its aggressive expansion goals and achieve 36 GWh of capacity by 2027 and an additional 10 GWh of production at a sodium-ion cell facility, the implications for our model are significant. The challenge with valuing CBAK is that the company is significantly smaller than most public battery manufacturers today, its cells are not principally sold to the EV market and the majority of the comparable public companies are profitable. While CBAK recorded a profit in the third quarter, we have assumed margins will normalize a bit going forward and our new EPS estimates reflect these assumptions. As the higher value-added battery business represents the majority of the company's revenue and the principal source of profits, we believe investors will begin to recognize CBAK as an emerging battery cell manufacturer.

Smaller battery manufacturers tend to trade at roughly 1x forward sales, while the largest companies in the sector trade at 15-20 times 2024 earnings. As a result of the strong profitability of the battery business and the improving revenue mix, we are now forecasting positive EPS for 2024 and 2025.

Based on comparable valuations of public companies and the strong growth of the battery business we are maintaining our target valuation of $1.80/share or 18 times our current 2024 EPS estimate of $0.10/share.

If the company successfully expands its capacity or if profit margins remain higher than anticipated, we believe our forecasts may prove very conservative. Additionally, as we enter 2024, investor focus may shift to our 2025 battery revenue forecast of nearly $274 million.

SUMMARY

1) Despite the company's long operating history, CBAK should be viewed as an emerging lithium-ion battery manufacturer. The company plans to expand its capacity from 1.7 GWh in 2022 to 5 GWh by 2024 and ultimately have an installed capacity of 36 GWh by the end of 2027. Managing this expansion effectively and financing the growth will be a challenge for the company but demand remains robust in the lithium-ion battery market. We anticipate most of the new capacity will be absorbed quickly by the market.

2) The company has established itself as a leading manufacturer of cylindrical cells just as the cylindrical format is becoming more popular in the market and energy storage applications are growing significantly. The company is one of the first manufacturers to announce a large-scale commercial sodium-ion production facility which presents a substantial new revenue opportunity for the company.

3) As a result, of the company's past missteps, we feel like the valuation is much more reasonable today just as the battery business is about to experience meaningful growth. Investors continue to take a wait-and-see attitude with CBAK and it may take several quarters of sustained growth in the battery business before the market recognizes the potential upside in this story.

4) Finally, several items are difficult to quantify but may increase investor confidence over time. Addressing past financial reporting deficiencies, demonstrating that new production lines are operational, or securing new investments in the sodium-ion business.

PROJECTED INCOME STATEMENT

CBAK Energy Technology

11/10/23

(USD in 000's; December Year-End)	2020	2021*	Mar 1Q22A	June 2Q22A	Sept 3Q22A	Dec 4Q22A	2022A	Mar 1Q23A	June 2Q23A	Sept 3Q23A	Dec 4Q23E	2023E	Mar 1Q24E	June 2Q24E	Sept 3Q24E	Dec 4Q24E	2024E	Mar 1Q25E	June 2Q25E	Sept 3Q25E	Dec 4Q25E	2025E
Battery Revenues																						
Uninterruptible supplies	22,749.0	33,308.0	14,931.0	25,045.0	24,680.0	18,948.0	83,604.0	25,815.1	20,948.0	42,810.7	37,673.4	127,247.2	41,440.7	44,756.0	49,231.6	51,693.2	187,121.5	53,244.0	56,438.6	63,211.2	68,268.1	241,162.0
Light Electric Vehicles	39.0	733.0	88.8	671.0	1,146.0	4,508.0	6,413.8	1,968.1	1,147.9	1,114.1	1,169.8	5,399.9	994.3	1,491.5	2,088.1	2,714.5	7,288.5	3,528.9	5,293.3	6,352.0	7,622.4	22,796.6
Electric Vehicles	260.0	244.0	0.3	-	20.0	4,675.0	4,695.3	1,820.2	135.7	402.9	523.7	2,882.5	419.0	733.2	1,173.1	1,818.3	4,143.7	2,091.1	2,404.8	2,645.2	2,909.8	10,050.9
Total Battery Revenues	23,048.0	34,285.0	15,020.1	25,716.0	25,846.0	28,131.0	94,713.1	29,603.4	22,231.6	44,327.7	39,366.9	135,529.6	42,854.0	46,980.7	52,492.8	56,226.1	198,553.6	58,864.0	64,136.7	72,208.5	78,800.3	274,009.5
Battery Revenues % change (yoy)								97.1%	-13.5%	71.5%	40%	43.1%	45%	111%	18%	43%	46.5%	37%	37%	38%	40%	38.0%
Raw Material Revenues																						
Precursor	-	9,139.0	36,813.0	4,110.0	20,681.0	17,076.0	78,680.0	10,621.0	10,070.6	10,379.5	10,587.1		10,798.8	11,122.8	11,456.5	11,800.1	45,178.2	12,154.2	12,761.9	13,400.0	14,069.9	52,385.9
Cathode	-	8,726.0	28,363.0	26,524.0	11,195.0	9,249.0	75,331.0	2,173.0	10,118.2	8,734.0	8,908.7		9,131.4	9,359.7	9,593.7	9,833.5	37,918.2	9,833.5	9,833.5	9,833.5	9,833.5	39,334.0
Total Raw Material Revenues	-	17,865.0	65,176.0	30,634.0	31,876.0	26,325.0	154,011.0	12,794.0	20,188.9	19,113.5	19,495.7	71,592.0	13,049.9	20,794.9	19,686.9	20,080.6	73,612.3	13,441.4	21,834.7	20,671.2	21,084.6	77,031.9
Other sales	14,518.0	520.0				2.0																
Sales	**37,566.2**	**52,669.7**	80,196.1	56,349.7	57,722.0	54,458.0	**248,725.8**	42,397.4	42,420.5	63,441.1	58,862.6	**207,121.6**	55,903.9	67,775.7	72,179.7	76,306.7	**272,165.9**	72,305.3	85,971.4	92,879.7	99,884.9	**351,041.4**
% change (yoy)							**372%**			10%	8%	**-17%**	32%	60%	14%	30%	**31%**	29%	27%	29%	31%	**29%**
Cost of Revenues	34,852	47,559	74,880	50,814	54,261	50,675	230,630	39,491	38,536	51,193	50,974	180,193	47,390	58,215	61,470	64,746	231,821	60,222	72,526	77,678	83,165	293,591
Gross Profit	2,714	5,110	5,316	5,535	3,461	3,783	18,096	2,906	3,884	12,249	7,889	26,928	8,514	9,560	10,710	11,560	40,345	12,084	13,445	15,202	16,720	57,450
% change (yoy)																	50%					42%
Gross Profit Margin	**7.2%**	**9.7%**	**6.6%**	**9.8%**	**6.0%**	**6.9%**	**7.3%**	**6.9%**	**9.2%**	**19.3%**	**13.4%**	**13.0%**	**15.2%**	**14.1%**	**14.8%**	**15.1%**	**14.8%**	**16.7%**	**15.6%**	**16.4%**	**16.7%**	**16.4%**
Operating Expenses:																						
Research and Development	1,678.9	5,274.3	3,313.1	2,299.5	2,385.6	2,637.3	10,635.5	2,455.3	2,980.7	2,578.0	2,655.3	10,669.4	2,920.9	2,774.8	2,913.6	2,971.8	11,581.1	2,912.4	2,766.8	2,905.1	2,963.2	11,547.5
Sales and marketing	701.4	2,301.7	829.7	697.7	834.5	(354.0)	2,007.8	721.0	963.6	1,116.0	1,149.5	3,950.1	1,379.4	1,586.3	1,824.2	2,097.9	6,887.7	2,391.6	2,750.3	3,162.8	3,637.3	11,941.9
General and Administrative	3,746	10,027	2,237	2,454	1,866	3,181	9,738	2,479	3,583	3,241	3,273	12,576	3,437	3,471	3,576	3,665	14,149	3,702	3,739	3,851	3,947	15,238
	6,126	17,603	6,380	5,451	5,086	5,464	22,381	5,655	7,527	6,935	7,078	27,196	7,737	7,833	8,313	8,735	32,618	9,006	9,256	9,919	10,548	38,728
% of Sales	16.3%	33.4%	8.0%	9.7%	8.8%	10.0%	9.0%	13.3%	17.7%	10.9%	12.0%	13.1%	13.8%	11.6%	11.5%	11.4%	12.0%	12.5%	10.8%	10.7%	10.6%	11.0%
Operating Income (Loss)	**(3,412)**	**(12,493)**	**(1,064)**	**85**	**(1,625)**	**(1,681)**	**(4,285)**	**(2,749)**	**(3,643)**	**5,314**	**811**	**(267)**	**777**	**1,728**	**2,396**	**2,826**	**7,727**	**3,078**	**4,190**	**5,283**	**6,172**	**18,723**
Impairment Charge on PPE & goodwill	4,346	-	-	-	-	**6,388**	**6,388**															
(Provision for) recovery of doubtful accounts	(722)	780	(271)	60	143	(762.5)	(831)	(131)	(130)	(25)	-	(286)										
Other Income, net	(40)	3,644	285	(459)	(991)	(6,087)	(7,252)	183	238	602	0	1,023	0	0	0	0	-	0	0	0	0	-
Finance Expenses/(Income)	1,399	(785)	(5)	620	(687)	(419)	(491)	(5)	(252)	447	0	190	0	0	0	0	385	0	0	0	0	385
Changes in fair value of warrants liability	2,072	61,802	1,632	2,131	936	1,011	5,710	85	36	15	0	136	0	0	0	0	187	0	0	0	0	187
Impairment of non-marketable equity securities	-	(693)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Income before Taxes	**(7,847)**	**53,826**	**587**	**1,196**	**(850)**	(13,488)	**(12,556)**	**(2,607)**	**(3,247)**	**5,459**	**811**	**795**	**777**	**1,728**	**2,396**	**2,826**	**8,299**	**3,078**	**4,190**	**5,283**	**6,172**	**19,295**
Loss (income) attributable to non-controlling interests	40	(73)	(236)	(211)	848	1,478	1,879	824	304	571	(162)	1,537	(194)	(432)	(599)	(706)	(1,932)	(769)	(1,047)	(1,321)	(1,543)	(4,681)
Income tax (expense)/credit		7,733	94	(180)	2	1,312	1,228	403	307	305	65	1,080							(628)	(792)	(926)	(2,347)
Net Income (Loss) attributable to CBAK	**(7,807)**	**61,486**	**444**	**805**	**0**	**(14,966)**	**(9,448)**	**(1,380)**	**(2,636)**	**6,335**	**714**	**3,413**	**583**	**1,296**	**1,797**	**2,119**	**6,367**	**2,308**	**2,514**	**3,170**	**3,703**	**12,267**
EPS reported	**(0.13)**	**0.70**	**0.01**	**0.01**	**0.00**	**(0.17)**	**(0.11)**	**(0.02)**	**(0.03)**	**0.07**	**0.01**	**0.04**	**0.01**	**0.01**	**0.02**	**0.02**	**0.07**	**0.03**	**0.03**	**0.03**	**0.04**	**0.13**
% change (yoy)			N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A	**N/A**	N/A	N/A	N/A	N/A	**N/A**
Diluted Shares (weighted average)	**61992.4**	**87881.9**	88735.0	89007.9	88996.7	88968.4	**88927.0**	89013.4	89191.4	89904.3	90084.1	**89548.3**	90264.3	90444.8	90625.7	90806.9	**90535.4**	90988.6	91170.5	91352.9	91535.6	**91261.9**
Margins:																						
Gross Margin	**7.2%**	**9.7%**	6.6%	9.8%	6.0%	6.9%	**7.3%**	6.9%	9.2%	19.3%	13.4%	**13.0%**	15.2%	14.1%	14.8%	15.1%	**14.8%**	16.7%	15.6%	16.4%	16.7%	**16.4%**
Research and Development as a % of Sales	4.5%	10.0%	4.1%	4.1%	4.1%	4.8%	4.3%	5.8%	7.0%	4.1%	4.5%	5.2%	5.2%	4.1%	4.0%	3.9%	4.3%	4.0%	3.2%	3.1%	3.0%	3.3%
General & Administrative as a % of Sales	10.0%	19.0%	2.8%	4.4%	3.2%	5.8%	3.9%	5.8%	8.4%	5.1%	5.6%	6.1%	6.1%	5.1%	5.0%	4.8%	5.2%	5.1%	4.3%	4.1%	4.0%	4.3%

Source: Zacks SCR, Brian Lantier, Company Filings

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BALANCE SHEET

CBAK Energy Technology, Inc.
Balance Sheet in US Dollars
9/30/23

(US Dollars USD in 000s)

Assets

Current Assets	
Cash and Cash Equivalents	3,176
Pledged Deposits	42,512
Trade and bills receivable, net	45,564
Inventories	37,452
Prepayment & other receivables	7,266
Receivables from a former subsidiary, net	324
Income Tax recoverable	0
Total current assets	136,294
Property, plant & tquipment (net)	93,587
Construction in progress	35,605
Long-term investments, net	898
Prepaid land use rights	11,504
Intangible Assets (net)	936
Deposit paid for acquisition - long-term investment	3,670
Operating lease right-of-use assets, net	949
Deferred tax assets, net	3,398
Total Assets	**286,841**

Liabilities

Current Liabilities	
Trade and bills payable	88,177
Short-term bank borrowings	33,191
Other short-term loans	339
Accrued expenses and other payables	38,481
Payables to a former subsidiary, net	389
Deferred government grants, current	366
Product warranty provisions	23
Warrants liability	0
Operating lease liability, current	366
Finance lease liability, current	0
Total current liabilities	161,332
Deferred government grants, non-current	5,022
Product warranty provisions	471
Operating lease liability, non-current	462
Accrued expenses & other payables, non-current	0
Total Liabilities	**167,288**

Shareholder's Equity

Common stock	90
Donated shares	14,102
Additional Paid-in Capital	247,200
Statutory reserves	1,231
Accumulated Deficit	(129,627)
Accumulated Other Comprehensive Loss	(14,331)
Shareholder's Equity	**118,664**
Less: Treasury Shares	(4,067)
Total shareholders' equity	**114,598**
Non-controlling interests	4,956
Total equity	**119,553**
Total Liabilities & Equity	**286,841**

Source: SEC Filings

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HISTORICAL STOCK PRICE



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