



Northann Corp. Reports Strong First Quarter 2024 Financial Results

May 22, 2024

ELK GROVE, Calif., May 22, 2024 (GLOBE NEWSWIRE) -- Northann Corp. (NYSE American: NCL), a leading innovator in 3D printing technology for home improvement products, announced its financial results for the first quarter ending March 31, 2024. The company reported substantial growth in revenues and significant progress in cost management and debt reduction.

Financial Highlights:

- Revenue: Northann Corp. reported revenues of \$4.6 million for Q1 2024, a notable increase of 68% from \$2.7 million in the same period of 2023. This growth reflects strong demand for the company's advanced flooring solutions.
- Gross Profit: Gross profit for the quarter was \$1.54 million, up by 24% from \$1.25 million in Q1 2023, driven by higher sales volumes and efficient cost management.
- Net Income: Net income for the quarter was \$60,035, compared to \$185,466 in the prior year's first quarter, representing a decrease of 68%. The decline in net income is primarily due to increased investments in research and development and higher interest expenses.
- Operating Expenses: Total operating expenses were \$1.22 million, up by 42% from \$853,830 in Q1 2023. The increase is attributed to expanded R&D efforts and administrative costs.

Operational and Strategic Highlights:

- Debt Reduction: The company successfully reduced its total liabilities to \$12.52 million from \$13.04 million at the end of 2023, a decrease of 4%. This includes a significant repayment of bank borrowings, contributing to a stronger balance sheet.
- Liquidity: As of March 31, 2024, Northann Corp. maintained a strong liquidity position with \$593,934 in cash and cash equivalents.
- Product Development: Continued investment in R&D, with expenses rising to \$512,597 in Q1 2024, up by 71% from \$300,212 in the same period last year, reinforcing the company's commitment to innovation.

CEO's Statement:

"We are pleased with our robust performance in the first quarter, reflecting our team's dedication and the growing market acceptance of our cutting-edge 3D printed flooring solutions," said Lin Li, CEO of Northann Corp. "Our strategic focus on innovation, cost management and client-oriented vision has positioned us well for sustained growth. We remain committed to enhancing shareholder value through continued operational excellence and financial discipline."

Looking Forward:

Northann Corp. continues to focus on expanding its product offerings and market reach while maintaining financial prudence. The company is optimistic about its growth prospects for the remainder of 2024, supported by ongoing product innovation and strong market demand.

About Northann Corp.

Northann specializes in 3D-printed flooring solutions under its flagship brand, "Benchwick." The Company's operations span the full spectrum of additive manufacturing, from sourcing recycled ocean plastics to the final production of intricate flooring designs. Northann offers its 3D printing ecosystem as an extensive range of proprietary solutions, including Infinite Glass, DSE, TruBevel, and MattMaster, primarily through its sales network in North America and Europe. The Company aims to redefine the essence of modern flooring and wall panels by offering stylish, durable, and ecologically conscious solutions.

For more information about Northann, please visit www.northann.com.

Forward Looking Statements

This press release contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements that are other than statements of historical facts. When the Company uses words such as "may," "will," "intend," "should," "believe," "expect," "anticipate," "project," "estimate" or similar expressions that do not relate solely to historical matters, it is making forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause the actual results to differ materially from the Company's expectations discussed in the forward-looking statements. These statements are subject to uncertainties and risks including, but not limited to, other factors discussed in the "Risk Factors" section of the registration statement filed with the SEC. For these reasons, among others, investors are cautioned not to place undue reliance upon any forward-looking statements in this press release. Additional factors are discussed in the Company's filings with the SEC, which are available for review at www.sec.gov. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date hereof.

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