

Edgar Filing: GREENMAN TECHNOLOGIES INC - Form 10QSB

GREENMAN TECHNOLOGIES INC  
Form 10QSB  
February 14, 2003

U.S. Securities and Exchange Commission  
Washington, D.C. 20549

Form 10-QSB

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For Quarter Ended December 31, 2002  
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Commission File Number 1-13776  
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GreenMan Technologies, Inc.  
-----

(Exact name of small business issuer as specified in its charter)

Delaware  
-----

71-0724248  
-----

(State or other jurisdiction  
of incorporation or organization)

(I.R.S. Employer  
Identification No.)

7 Kimball Lane, Building A, Lynnfield, MA  
-----

01940  
-----

(Address of principal executive offices)

(Zip Code)

Issuer's telephone number, including area code (781) 224-2411  
-----

-----  
(Former name, former address and former fiscal year, if  
changed since last report.)

Indicate by check mark whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Number of shares outstanding as of February 1, 2003  
Common Stock, \$.01 par value, 15,698,214 shares

GreenMan Technologies, Inc.  
Form 10-QSB  
Quarterly Report  
December 31, 2002

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\* The financial information at September 30, 2002 has been taken from audited financial statements at that date and should be read in conjunction therewith. All other financial statements are unaudited.

### GreenMan Technologies, Inc. Unaudited Condensed Consolidated Balance Sheets

	December 2002 -----
ASSETS	
Current assets:	
Cash and cash equivalents .....	\$ 1,12
Accounts receivable, trade, less allowance for doubtful accounts of \$123,343 and \$196,920 as of December 31, 2002 and September 30, 2002 .....	3,54
Equipment held for sale .....	21
Product inventory .....	33
Other current assets .....	1,08
Total current assets .....	6,29

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Property, plant and equipment, net .....	11,12
Other assets:	
Deferred loan costs .....	29
Goodwill, net .....	3,41
Customer relationship intangibles, net .....	24
Note receivable .....	77
Other .....	77
Total other assets .....	4,72
	\$ 22,13

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:	
Notes payable, current .....	\$ 3,02
Accounts payable .....	2,40
Accrued expenses .....	1,30
Obligations under capital leases, current .....	41
Total current liabilities .....	7,75
Notes payable, related party .....	57
Notes payable, non-current portion .....	7,02
Obligations under capital leases, non-current portion .....	2,12
Total liabilities .....	16,87
Stockholder's equity:	
Preferred stock, \$1.00 par value, 1,000,000 shares authorized, none outstanding ...	
Common stock, \$.01 par value, 20,000,000 shares authorized: 15,698,214 and 15,654,665 shares issued and outstanding at December 31, 2002 and September 30, 2002 .....	15
Additional paid-in capital .....	28,53
Accumulated deficit .....	(23,37)
Notes receivable, common stock .....	(4)
Total stockholders' equity .....	5,26
	\$ 22,13

See accompanying notes to unaudited condensed consolidated financial statements

GreenMan Technologies, Inc.  
Unaudited Condensed Consolidated Statements of Operations

	Three Months Ended December 31,	
	2002	2001
Net sales .....	\$ 7,963,457	\$ 6,308,300
Cost of sales .....	6,580,184	4,865,745

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Gross profit .....	1,383,273	1,442,555
	-----	-----
Operating expenses:		
Selling, general and administrative .....	1,379,315	930,944
	-----	-----
Total operating expenses .....	1,379,315	930,944
	-----	-----
Operating profit .....	3,958	511,611
	-----	-----
Other income (expense):		
Interest and financing costs .....	(369,953)	(259,068)
Other, net .....	10,974	--
	-----	-----
Other (expense), net .....	(358,979)	(259,068)
	-----	-----
Net income (loss) before income taxes .....	(355,021)	252,543
Income taxes .....	(550)	(5,700)
	-----	-----
Net income (loss) .....	\$ (355,571)	\$ 246,843
	=====	=====
Net income (loss) per share - basic .....	\$ (.02)	\$ .02
	=====	=====
Net income (loss) per share - diluted .....	\$ (.02)	\$ .02
	=====	=====
Weighted average shares outstanding - basic ....	15,676,479	13,648,550
	=====	=====
Weighted average shares outstanding - diluted ..	15,676,479	14,341,992
	=====	=====

See accompanying notes to unaudited condensed consolidated financial statements.

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GreenMan Technologies, Inc.  
Unaudited Condensed Consolidated Statement of Changes in Stockholders' Equity  
Three Months Ended December 31, 2002

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	
	----- Shares -----	----- Amount -----			
Balance, September 30, 2002 .....	15,654,665	\$156,547	\$28,473,710	\$ (23,022,130)	\$
Common stock issued upon exercise of stock options .....	12,000	120	10,080	--	
Sale of common stock .....	31,549	315	49,685	--	
Net loss for the three months ended					

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December 31, 2002 .....	--	--	--	(355,571)
	-----	-----	-----	-----
Balance, December 31, 2002 .....	15,698,214	\$156,982	\$28,533,475	\$ (23,377,701)
	=====	=====	=====	=====

See accompanying notes to unaudited condensed consolidated financial statements.

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GreenMan Technologies, Inc.  
Unaudited Condensed Consolidated Statements of Cash Flow

	Three Months Ended December 31,	
	2002	2001
	-----	-----
Cash flows from operating activities:		
Net income (loss) .....	\$ (355,571)	\$ 246,843
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation .....	548,542	388,854
Loss on disposal of property, plant and equipment .....	6,200	--
Amortization .....	26,230	21,495
Decrease (increase) in assets:		
Accounts receivable .....	530,059	568,175
Product inventory .....	(197,175)	--
Other current assets .....	69,337	(144,253)
(Decrease) increase in liabilities:		
Accounts payable .....	(170,794)	(1,031,225)
Other current liabilities .....	116,982	316,476
Net cash provided by operating activities .....	567,789	366,365
	-----	-----
Cash flows from investing activities:		
Purchase of property and equipment .....	(727,947)	(646,932)
Decrease (increase) in other assets .....	11,961	(241,620)
Net cash used for investing activities .....	(715,986)	(888,552)
	-----	-----
Cash flows from financing activities:		
Deferred financing costs .....	(6,021)	--
Net advances under line of credit .....	146,516	305,278
Repayment of notes payable .....	(399,130)	(271,115)
Proceeds from notes payable .....	767,920	143,754
Principal payments on obligations under capital leases ..	(82,389)	(61,135)
Cash received upon exercise of stock options .....	10,200	24,940
Net proceeds on sale of common stock .....	50,000	--
Net cash provided by financing activities .....	493,177	141,722
	-----	-----
Net increase (decrease) in cash .....	344,980	(380,465)
Cash and cash equivalents at beginning of period .....	780,497	428,075
Cash and cash equivalents at end of period .....	\$ 1,125,477	\$ 47,610
	=====	=====

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### Supplemental cash flow information:

Machinery and equipment acquired under capital leases ...	\$	101,623	\$	--
Interest paid .....		350,451		213,654
Taxes paid .....		550		45,800

See accompanying notes to unaudited condensed consolidated financial statements

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GreenMan Technologies, Inc.  
Notes To Unaudited Condensed Consolidated Financial Statements  
December 31, 2002

### 1. Business

GreenMan Technologies, Inc. ("GreenMan" or the "Company") was founded in 1992 and today comprises seven operating locations that collect, process and market scrap tires in whole, shredded or granule form. We are headquartered in Lynnfield, Massachusetts and currently operate size reduction operations in Georgia, Minnesota, Iowa, Wisconsin, California and Oklahoma and operate under exclusive agreements to supply whole tires to cement kilns in located Tennessee, Georgia, Illinois, Oklahoma, Florida and Texas.

### 2. Basis of Presentation

The consolidated financial statements include the results of operations of GreenMan Technologies, Inc. and its wholly-owned and majority-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

The financial statements are unaudited and should be read in conjunction with the financial statements and notes thereto for the year ended September 30, 2002 included in GreenMan's Annual Report on Form 10-KSB. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to the Securities and Exchange Commission rules and regulations, although management believes the disclosures which have been made are adequate to make the information presented not misleading. The results of operations for the periods reported are not necessarily indicative of those that may be expected for a full year. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) which are necessary for a fair statement of operating results for the interim periods presented have been made.

### 3. Net Income (Loss) Per Share

Basic earnings per share represents income available to common stock divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects additional common shares that would have been outstanding if potential dilutive common shares had been issued, as well as any adjustment to income that would result from the assumed conversion. Potential common shares that may be issued by GreenMan relate to outstanding stock options and warrants (determined using the treasury stock method), preferred stock and convertible debt. Basic and diluted net loss per share are the same for the three months ended December 31, 2002, since the effect of the inclusion of all outstanding options and warrants would be anti-dilutive. The assumed conversion of outstanding dilutive stock options, warrants and preferred stock for the three months ended December 31, 2001 would increase the shares

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outstanding but would not require an adjustment to income as a result of the conversion.

Net income per common share has been computed based on the following for the three months ended December 31, 2001:

Net income applicable to common stock.....	\$ 246,843
	=====
Average number of common shares outstanding.....	13,648,550
Effect of dilutive options.....	693,442
	-----
Average number of common shares outstanding used to calculate diluted net income per share.....	14,341,992
	=====

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GreenMan Technologies, Inc.  
Notes To Unaudited Condensed Consolidated Financial Statements  
December 31, 2002

#### 4. New Accounting Pronouncement

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting 141, "Business Combinations" and Standard (SFAS) No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 applies to all business combinations with a closing date after June 30, 2001 and eliminates the pooling-of-interests method of accounting and further clarifies the criteria for recognition of intangible assets separately from goodwill. SFAS No. 142 eliminates the amortization of goodwill and indefinite-lived intangible assets and initiates an annual review for impairment. Identifiable intangible assets with a determinable useful life will continue to be amortized. GreenMan adopted SFAS No. 142 effective October 1, 2001, which required GreenMan to cease amortization of its remaining net goodwill balance and to perform an impairment test of its existing goodwill based on a fair value concept. As of December 31, 2002 and September 30, 2002, GreenMan has net unamortized goodwill of \$3,413,894.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations". This statement establishes standards for accounting for obligations associated with the retirement of tangible long-lived assets, and is effective for fiscal years beginning after June 15, 2002.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This statement addresses financial accounting and reporting for the impairment and disposal of long-lived assets, and is effective for fiscal years beginning after December 15, 2001.

In July 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities". SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 will be applied prospectively to any exit or disposal activities initiated after December 31, 2002. GreenMan has adopted SFAS No. 143 and SFAS No. 144 in the first quarter of fiscal 2003, such adoption did not impact its financial position and results of operations. GreenMan does not expect the future adoption of SFAS No. 146 to impact its financial position and results of operations.

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### 5. Property, Plant and Equipment

Property, plant and equipment consists of the following:

	December 31, 2002	September 30, 2002	Estimated Useful Lives
	-----	-----	-----
Land .....	\$ 336,365	\$ 336,365	
Buildings .....	2,405,814	2,245,891	10-20 years
Machinery and equipment .....	9,242,277	7,875,139	5-10 years
Furniture and fixtures .....	278,808	169,721	3-5 years
Motor vehicles .....	5,440,373	5,410,434	3-10 years
Construction in progress .....	--	848,515	
	-----	-----	
	17,703,637	16,886,065	
Less accumulated depreciation and amortization	(6,583,470)	(6,040,728)	
	-----	-----	
Property, plant and equipment, net	\$11,120,167	\$10,845,337	
	=====	=====	

### 6. Segment Information

GreenMan operates in one business segment, the collecting, shredding and marketing of scrap tires to be used as feedstock for tire derived fuel, civil engineering projects and/or for further processing into crumb rubber.

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GreenMan Technologies, Inc.  
Notes To Unaudited Condensed Consolidated Financial Statements  
December 31, 2002

### 7. Common Stock Transactions

In February 2002, GreenMan commenced a private offering of unregistered common stock in an effort to raise up to \$2,000,000 in gross proceeds (subsequently increased to \$3,000,000 in August 2002). As of December 31, 2002, the Company has sold 1,361,892 shares of unregistered common stock to investors, including existing shareholders, for gross proceeds of \$2,003,603. The investors have been granted limited registration rights to cause the Company to register the common stock for resale in the event that GreenMan registers shares of common stock for its own account. The investors have agreed not to sell or transfer the shares for a period of at least 18 months after issuance.

In December 2002, 12,000 qualified options to purchase unregistered shares of common stock were exercised at \$.85 per share.

### 8. Subsequent Events

On February 5, 2003 GreenMan announced its intent to open a new high-volume tire processing facility southeast of Nashville in LaVergne, Tennessee. GreenMan will operate the facility under a new wholly-owned subsidiary, GreenMan Technologies of Tennessee, Inc. Management estimates the LaVergne facility will commence operations during April 2003.



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On February 7, 2003, Southern Pacific Bank ("SPB") and its wholly owned subsidiary, Coast Business Credit ("CBC") were closed by the Commissioner of Financial Institutions of the State of California and the Federal Deposit Insurance Corporation ("FDIC") was appointed receiver of SPB and its subsidiaries. Prior to its closure, CBC provided the GreenMan's main source of working capital financing and long term debt. GreenMan is in compliance with all covenants and other terms of its financing agreement with CBC.

On February 13, 2003, the FDIC notified GreenMan that its existing line of credit would remain available for a minimum of six months under the existing terms and conditions, and that, subject to continued compliance with all financing covenants, GreenMan would be permitted to draw an additional \$300,000 line of credit in addition to amounts currently outstanding. GreenMan believes that the liquidity available under the line of credit will be sufficient to fund its operations over this period, but recognizes it must refinance its CBC obligations in the near future. GreenMan is currently evaluating several financing alternatives in an effort to refinance the existing CBC obligations. No assurances can be given that such refinancing will be concluded in the near future on favorable terms, if at all. As of December 31, 2002, the unamortized balance of deferred financing charges relating to this obligation was \$239,400.

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### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in Item 1 of the Quarterly Report, and the audited consolidated financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in GreenMan's Form 10-KSB filed for the year ended September 30, 2002.

#### Results of Operations

Three Months ended December 31, 2002 Compared to the Three Months ended December 31, 2001

Net sales for the three months ended December 31, 2002 increased 26% or \$1,655,157 to \$7,963,457 as compared to \$6,308,300 for the three months ended December 31, 2001. GreenMan processed 7.8 million passenger tire equivalents during the three months ended December 31, 2002, as compared to 5.8 million passenger tire equivalents for the three months ended December 31, 2001. The increases are attributable to (1) the inclusion of the operations of three new subsidiaries formed in connection with fiscal 2002 acquisitions and the majority owned joint venture formed in fiscal 2002 and (2) increased end product revenue which accounted for 19% of consolidated revenues for the quarter ended December 31, 2002 as compared to 9% for the same period last year. These increases in end product revenues are attributable to implementation of GreenMan's waste wire processing equipment and the new crumb rubber capacity acquired in fiscal year 2002.

Gross profit for the three months ended December 31, 2002 was \$1,383,273 or 17% of net sales as compared to \$1,442,555 or 23% of net sales for the three months ended December 31, 2001. The results for the quarter ended December 31, 2002 benefited from a 34% increase in overall volume and the inclusion of GreenMan's fiscal year 2002 acquisitions and the majority owned joint venture. These benefits were offset by (1) approximately \$150,000 relating to costs specifically associated with operational disruptions and increased transportation costs due to a complete shredding equipment upgrade at GreenMan

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of Iowa; (2) approximately \$45,000 relating to operating and startup losses associated with a new kiln relationship, which was terminated December 31, 2002; (3) \$60,000 associated with the commercialization of our roofing shingle project; and (4) previously noted corporate-wide insurance cost increases of over \$100,000 per quarter as a result of higher insurance limits due to recent acquisitions and increased renewal premiums reflecting the impact that September 11, 2001 has had on the industry.

Selling, general and administrative expenses were \$1,379,315 or 17% of net sales as compared to \$930,944 or 15% of net sales for the three months ended December 31, 2001. The increase is primarily attributable to the inclusion of the operations of the three new subsidiaries and joint venture formed in fiscal 2002. In addition, the results for the quarter ended December 31, 2002 include approximately \$45,000 of costs relating to GreenMan's specialty waste initiatives, which have been curtailed at this point, and approximately \$60,000 associated with the initial startup activities associated with the recently announced Tennessee operation.

GreenMan's operating profit was \$3,958 or <1% of net sales for the three months ended December 31, 2002 as compared to an operating profit of \$511,611 or 8% of net sales for the same period in 2001.

Interest and financing expenses increased approximately \$111,000 during the quarter ended December 31, 2002 as a result of fiscal 2002 acquisitions and recent equipment upgrades.

GreenMan's net loss for the quarter ended December 31, 2002 was \$355,571, or \$.02 per share as compared to net income of \$246,843, or \$.02 per share for the quarter ended December 31, 2001.

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### Liquidity and Capital Resources

As of December 31, 2002, the Company had \$1,125,477 in cash and cash equivalents and a working capital deficiency of \$849,123. Management understands that the continued, successful sales and marketing of the Company's services and products, the introduction of new products and re-establishing continued profitability from operations will be critical to the Company's future liquidity.

During the past four years, GreenMan has divested and/or closed under performing non-core operations and eliminated the use of non-conventional financing methods that had contributed over \$18.7 million of GreenMan's cumulative losses. As a result of these divestitures and by implementing a very focused business plan and adding businesses, relationships and product lines that complement our core business of scrap tire management, GreenMan has been profitable during the past two fiscal years. However, GreenMan believes that it will be necessary to raise additional financing to fund continued growth.

In order to better position GreenMan for the future, management has implemented the following actions:

#### Operating Performance Enhancements

Historically, our tire processing operations were able to recover and sell about 65% of a processed tire with the balance disposed of as waste wire residual (cross-contaminated rubber and steel) at an annual cost in excess of \$1,000,000 during the last several fiscal years. During that time, we have installed equipment at our Georgia, Iowa and Wisconsin facilities to further

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process the waste wire residual into saleable components of rubber and steel to provide new sources of revenue and reduce disposal costs. As a result of these actions, we are another step closer towards our goal of realizing positive value from over 90% of each tire that we manage.

During the fourth quarter of fiscal 2002, GreenMan initiated a \$1.5 million equipment upgrade to its Des Moines, Iowa tire processing facility. We have completely replaced all tire shredders with more efficient, higher volume equipment and installed a third waste wire processing equipment line which will allow us to reduce waste wire disposal costs while increasing our capacity to produce over 20 million pounds of rubber feedstock per year for our crumb rubber operations. The internalization of crumb rubber feedstock supply and production via our new processing equipment will eliminate over \$250,000 in estimated annual transportation costs necessitated by sourcing crumb rubber feedstock from GreenMan's Wisconsin location. Additionally, it positions us to better meet the growing market demand for our products and services. During the July to November timeframe, we experienced inevitable one-time operational disruptions as well as increased transportation costs associated with temporarily diverting a significant portion of Iowa tires to our Minnesota plant during the equipment installation. These disruptive factors negatively impacted earnings in the first quarter of fiscal 2003 by approximately \$150,000.

The Iowa capital investment is being funded by a combination of internal cash flow and long term debt provided by both an existing lender, First American Bank of Des Moines, Iowa and the State of Iowa.

### Private Offering of Common Stock

In February 2002 GreenMan commenced a private offering of unregistered common stock in an effort to raise up to \$2,000,000 in gross proceeds (subsequently increased to \$3,000,000 in August 2002). As of December 31, 2002 the Company sold 1,361,892 shares of unregistered common stock to investors, including existing shareholders, for gross proceeds of \$2,003,603. The investors have been granted limited registration rights to cause the Company to register the common stock for resale in the event that GreenMan registers shares of common stock for its own account. The investors have agreed not to sell or transfer the shares for a period of at least 18 months after issuance. A majority of the proceeds of this offering were used to acquire certain tire recycling operations and assets during fiscal 2002.

On February 7, 2003, Southern Pacific Bank ("SPB") and its wholly owned subsidiary, Coast Business Credit ("CBC") were closed by the Commissioner of Financial Institutions of the State of California and the Federal Deposit Insurance Corporation ("FDIC") was appointed receiver of SPB and its subsidiaries. Prior to its closure, CBC provided the GreenMan's main source of working capital financing and long term debt. GreenMan is in compliance with all covenants and other terms of its financing agreement with CBC.

On February 13, 2003, the FDIC notified GreenMan that its existing line of credit would remain available for a minimum of six months under the existing terms and conditions, and that, subject to continued compliance with all financing covenants, GreenMan would be permitted to draw an additional \$300,000 line of credit in addition to amounts currently outstanding. GreenMan believes that the liquidity available under the line of credit will be sufficient to fund its operations over this period, but recognizes it must refinance its CBC obligations in the near future. GreenMan is currently evaluating several financing alternatives in an effort to refinance the existing CBC obligations. No assurances can be given that such refinancing will be concluded in the near

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future on favorable terms, if at all. As of December 31, 2002, the unamortized balance of deferred financing charges relating to this obligation was \$239,400.

### Cautionary Statement

Information contained or incorporated by reference in this document contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which statements can be identified by the use of forward-looking terminology such as "may," "will," "would," "can," "could," "intend," "plan," "expect," "anticipate," "estimate" or "continue" or the negative thereof or other variations thereon or comparable terminology. The following matters constitute cautionary statements identifying important factors with respect to such forward-looking statements, including certain risks and uncertainties, that could cause actual results to differ materially from those in such forward-looking statements.

### Factors Affecting Future Results

There are several factors which may effect the future operating results of GreenMan, including:

- o the ability to successfully integrate recent acquisitions into GreenMan and realize the anticipated benefits;
- o the ability to refinance, on acceptable terms, GreenMan's obligations to Coast Business Credit in light of their February 7, 2003 shutdown by the FDIC;
- o a significant part of GreenMan's business strategy entails future acquisitions, or significant investments in businesses that offer complementary products, services and technologies. Any acquisition of a business is accompanied by certain risks including, but not limited to:
  - the ability to integrate future acquisition without significant disruption of the Company's ongoing business;
  - distraction of management from on-going company's business; overpaying for the entity or assets acquired; and
  - the dilutive impact to existing shareholder's stock positions and earnings per share common stock from the potential issuance of common stock or rights to purchase common stock used in future acquisitions.
- o general economic conditions.

GreenMan's plans and objectives are based on assumptions that it will be successful in receiving additional financing to fund future growth and that there will be no material adverse change in GreenMan's operations or business. There can be no assurance that GreenMan will obtain such financing on acceptable terms.

Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of GreenMan. As a result, there can be no assurance that GreenMan will be able to achieve or sustain profitability on a quarterly or annual basis. In light of the significant uncertainties inherent in GreenMan's business, forward-looking statements made in this report should not be regarded as a representation by GreenMan or any other person that the objectives and plans of GreenMan will be achieved.

Item 3. Controls and Procedures

(a) Evaluation of disclosure controls and procedures. Based on evaluation as of a date within 90 days of the filing date of this Quarterly Report on Form 10-QSB, GreenMan's principal executive officer and principal financial officer have concluded that GreenMan's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act")) are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Changes in internal controls. There were no significant changes in GreenMan's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

Item 2. Changes in Securities

During the three months ended December 31, 2002 the Company issued 31,549 shares of its common stock in connection with a private placement of shares of common stock for gross proceeds of \$50,000. Exemption from registration for these transactions is claimed under Rule 506 of Regulation D promulgated under the Securities Act of 1933, as amended (the "Securities Act").

In December 2002 the company issued 12,000 shares of its common stock upon exercise of qualified stock options for gross proceeds of \$10,200. Exemption from registration for this transaction is claimed under Section 4(2) of the Securities Act of 1933, as amended.

Item 5. Certification Under Sarbanes-Oxley Act

Our chief executive officer and chief financial officer have furnished to the Securities and Exchange Commission the certification with respect to this Report that is required by Section 906 of the Sarbanes-Oxley Act of 2002.

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits None
- (b) Reports on Form 8-K

There were no reports filed on Form 8-K during the quarter ended December 31, 2002.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the Registrant certifies that it has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

By: GreenMan Technologies, Inc.

/s/ Robert H. Davis  
-----

Robert H. Davis  
Chief Executive Officer

By: GreenMan Technologies, Inc.

/s/ Charles E. Coppa  
-----

Chief Financial Officer, Treasurer,  
Secretary

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I, Robert H. Davis, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of GreenMan Technologies, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - (a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - (b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - (c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

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Robert H. Davis  
President and Chief Executive Officer

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### CERTIFICATION

I, Charles E. Coppa, Chief Financial Officer and Treasurer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of GreenMan Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing

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date of this quarterly report (the "Evaluation Date"); and

(c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: February 14, 2003

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Charles E. Coppa  
Chief Financial Officer and Treasurer