



## Cenntro Electric to Establish Subsidiary Cennatic for Advanced Lithium-Ion Battery Production in North America

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*U.S. Based Subsidiary will Secure Supply for Electric Commercial Vehicles*

FREEHOLD, N.J.--(BUSINESS WIRE)--Aug. 8, 2022-- [Cenntro Electric Group Limited](#) (NASDAQ: CENN), a leading EV technology company with advanced, market-validated electric commercial vehicles, today announced the establishment of a separate operating division and wholly owned U.S. subsidiary, Cennatic Power Inc. ("Cennatic") to manufacture advanced lithium-ion batteries to be used for its electric commercial vehicles.

The Company has signed a lease for a 10,436 square meter (111,363 square foot) purpose-built manufacturing facility at Aero Industrial Park in Monterrey, Mexico where Cennatic will manufacture advanced lithium-ion batteries. Construction of the building is complete and Cennatic expects to complete the production line installation by the end of 2022 and begin trial production in the first half of 2023.

The facility will produce lithium-ion batteries with advanced features including greater temperature tolerance, faster charging time, safer operating parameters, longer life cycles and cost efficiencies.

"We believe bringing the production of essential battery technologies and manufacturing process in-house will accelerate the development of our electric commercial vehicles and reduce our supply chain dependency from China," said Peter Wang, Chairman and CEO of Cenntro Electric Group. "We believe it is crucial for an EV company to control its battery supply."

"The new facility's strategic location in Mexico will enable competitive production and complements our strategy to open new assembly plants that are in customers' markets to build our capacity. We have worked diligently to develop our own battery technology. We are confident our in-house production and technology will support and improve our vehicles, allow for significant operational enhancement and reduce cost in battery cell production," concluded Wang.

### About Cenntro Electric Group

Cenntro Electric Group Ltd. (or "Cenntro") (NASDAQ: CENN) is a leading designer and manufacturer of electric light and medium-duty commercial vehicles. Cenntro's purpose-built ECVs are designed to serve a variety of organizations in support of city services, last-mile delivery, and other commercial applications. Cenntro plans to lead the transformation in the automotive industry through scalable, decentralized production, and smart driving solutions empowered by the Cenntro iChassis. As of December 31, 2021, Cenntro has sold or put into service more than 3,700 vehicles in over 25 countries across North America, Europe, and Asia. For more information, please visit Cenntro's website at: [www.cenntroauto.com](http://www.cenntroauto.com).

### Forward-Looking Statements

This communication contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts. Such statements may be, but need not be, identified by words such as "may," "believe," "anticipate," "could," "should," "intend," "plan," "will," "aim(s)," "can," "would," "expect(s)," "estimate(s)," "project(s)," "forecast(s)," "positioned," "approximately," "potential," "goal," "strategy," "outlook" and similar expressions. Examples of forward-looking statements include, among other things, statements regarding assembly and distribution capabilities, decentralized production, and fully digitalized autonomous driving solutions. All such forward-looking statements are based on management's current beliefs, expectations and assumptions, and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed or implied in this communication. For additional risks and uncertainties that could impact Cenntro's forward-looking statements, please see disclosures contained in Cenntro's public filings with the SEC, including the "Risk Factors" in Cenntro's Annual Report on Form 20-F filed with the Securities and Exchange Commission on April 25, 2022 and which may be viewed at [www.sec.gov](http://www.sec.gov).

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