UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2022

Commission File No. **001-41010**

CENNTRO ELECTRIC GROUP LIMITED

(Translation of registrant's name into English)

501 Okerson Road, Freehold, New Jersey 07728
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1) ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7) ☐

INCORPORATION BY REFERENCE

This report on Form 6-K shall be deemed to be incorporated by reference into the Registration Statement of Cenntro Electric Group Limited on Form F-3 filed on August 10, 2022 (File No. 333-266725) and to be a part thereof from the date on which this report is furnished, to the extent not superseded by documents or reports subsequently filed or furnished.

EXHIBIT INDEX

Exhibit No.	Exhibit
99.1	Management's Discussion and Analysis of Financial Condition and Results of Operations of Cenntro Electric Group Limited for the Six Months ended June 30, 2022 and 2021
99.2	Unaudited Interim Condensed Consolidated Financial Statements of Cenntro Electric Group Limited for the Six Months ended June 30, 2022 and 2021
99.3	Press Release dated September 13, 2022
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: September 13, 2022

CENNTRO ELECTRIC GROUP LIMITED

By: /s/ Peter Z. Wang
Name: Peter Z. Wang
Title: Chief Executive Officer

Exhibit 99.1

Operating and Financial Review and Prospects in Connection with the Unaudited Condensed Consolidated Financial Statements for the Six Months Ended June 30, 2022 and Unaudited Condensed Combined Financial Statements for the Six Months Ended June 30, 2021

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our unaudited condensed consolidated financial statements for the six months ended June 30, 2022 and unaudited condensed combined financial statements for the six months ended June 30, 2021, and related notes included herein, in each case. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and "Special Note Regarding Forward-Looking Statements."

Our unaudited condensed consolidated financial statements for the six months ended June 30, 2022 and unaudited condensed combined financial statements for the six months ended June 30, 2021, and related notes have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). Cenntro is subject to the Australian Corporations Act 2001 (Cth) ("Corporations Act"), which requires financial statements prepared and audited in accordance with Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The financial information in this discussion and analysis (including the information derived from the Unaudited Financial Statements) are not financial statements for the purposes of, and have not been audited in accordance with, the Corporations Act and is "non-IFRS financial information" under the Australian Securities and Investment Commission's Regulatory Guide 230: 'Disclosing non-IFRS financial information.' Such non-IFRS financial information may not be comparable to similarly titled information presented by other entities and should not be construed as an alternative to other financial information prepared in accordance with AAS or IFRS.

Overview

We are a designer and manufacturer of electric light- and medium-duty vehicles ("ECVs"). Our purpose-built ECVs are designed to serve a variety of corporate and governmental organizations in support of city services, last-mile delivery and other commercial applications. Our mission is to leverage on our technological and research and development capabilities in areas such as vehicle design, digital component development, vehicle control software and "smart driving" to become a technology leader in the ECV market.

We have established an asset-light, distributed manufacturing business model through which we can distribute our unique modular vehicles in vehicle kits for local assembly in addition to fully assembled vehicles. Each of our vehicle models has a modular design that allows for local assembly in small factory facilities, which allows us to focus our efforts on the design of ECV models and related technologies while outsourcing various portions of the manufacturing, assembly and marketing of our vehicles to qualified third parties, allowing the Company to operate with lower capital investment than traditional vertically integrated automotive companies.

Up until December 31, 2021, we outsourced the vast majority of the marketing of our vehicles to third party "channel partners" and relied substantially on private label channel partners to assemble the Metro® from vehicle kits that we manufactured in our China-based facilities. Our relationships with such third parties, our "channel partners," have allowed us to forego expensive capital investments in our own facilities and operate within our historic working capital limitations. With the introduction of our new ECV models, however, we have begun the process of shifting the manufacturing of our vehicle kits and in some cases fully assembled vehicles to third party Original Equipment Manufacturer ("OEM") manufacturing partners and, in the case of vehicle kits, assembling them in our own facilities in North America and Europe. We have established a European Operations Center in Dusseldorf, Germany, which provides marketing support, after-market support and spare-parts warehousing for the European market, as well as warehousing services with a logistics company in Budapest, Hungary to house spare parts for our ECVs. We are also in the process of establishing an assembly facility in Jacksonville, Florida, where we plan to assemble our new Logistar™ 400 and Teemak™ models for sale in the North American market. We expect to begin trial assembling operations at the Jacksonville facility by the end of 2022. We believe that augmenting our channel partner network, assembly facilities and support centers together with regionalizing our supply chain will enhance brand recognition, provide economic advantages and reduce time to market for our ECVs.

We began pilot production of our first-generation, U.S. Class 1 (0-6,000 lbs.), electric light-duty commercial vehicle, the Metro®, in 2018. The Metro® is a customizable ECV used in commercial applications such as city services (i.e., street cleaners, firetrucks, food trucks and garbage trucks) and last-mile delivery. The Metro® was "born electric," meaning that, unlike many other ECVs that are converted from existing ICE designs, the Metro® was purpose-built from inception to be highly cost-effective and energy efficient, implementing a number of proprietary design elements including a lightweight structure and efficient power system. With our developed supply chain, relationships with component vendors, our channel partner network, and our growing manufacturing capacity through new facilities, we believe we are in position for larger scale production and distribution of the Metro®. We have also developed the Teemak™, an off-road electric commercial vehicle with essentially no homologation requirements in the United States and limited certification requirements, and Logistar™ 200, which is a European Union N1 Class electric commercial vehicle designed to meet the European Union's city delivery and city service requirements. The Teemak™ first became commercially available in the United States in December 2021. The Logistar™ 200 was homologated in the European Union in January 2022 and first became commercially available in the European market in February 2022.

We have invested resources in the research and development not only of ECV design and manufacturing processes, but also in digitally enabled components, intra-vehicle communication, vehicle control and vehicle automation, or what we collectively refer to as "vehicle digitization," as well as in the improvement of lithium battery technology. We have developed a prototype system-on-chip (which we sometimes refer to as an "SOC") for vehicle control and an open-platform, programmable chassis, with potential for both programmable and autonomous driving capabilities. We have also designed and developed in-house a proprietary telematics box, sometimes referred to as a T-Box, which allows our ECVs to send and receive data relating to location, speed, acceleration, braking and battery consumption, among others, to end-users. Additionally, our engineers have worked closely with certain of our qualified suppliers to co-design digitally enabled components in areas such as steering, braking, acceleration and signaling.

The electrification of the global automotive industry has been a major policy focus of governments worldwide. Certain countries, such as the United States, China, Canada, Germany and various other European countries, have announced aggressive EV initiatives designed to reduce carbon emissions, through the replacement of fossil fuels, and have begun incentivizing the development and sale of ECVs through government subsidy programs.

Acquisition of TME

On March 5, 2022, we entered into a Share and Loan Purchase Agreement (the "Purchase Agreement") with Mosolf SE & Co. KG, a limited liability partnership incorporated under the laws of Germany ("Mosolf"), pursuant to which Mosolf agreed to sell to us (i) 65% of the issued and outstanding shares (the "TME Shares") in TME, and (ii) 100% of the shareholder loan (the "Shareholder Loan") which Mosolf previously provided to TME (the "TME Transaction").

The TME Transaction closed on March 25, 2022. At the closing of the TME Transaction, we paid Mosolf €3,250,000 (or approximately USD$3.6 million) for the purchase of the TME Shares and €11,900,000 (or approximately USD$13.2 million) for the purchase of the Shareholder Loan, for total aggregate consideration of €15,150,000 (or approximately USD$16.8 million). An aggregate of €3,000,000 (or approximately USD$3.3 million) of the purchase price is held in escrow to satisfy amounts payable to any of the buyer indemnified parties in accordance with the terms of the Purchase Agreement.

The inventories of $4,484,007 on the acquisition date was purchased from Cenntro during the year ended December 31, 2021 prior to the closing of the Combination. The transaction was based on arm's length principle, recognized as sales revenue generated from independent third-party customer, and not considered as part of the acquisition transaction.

We believe that our acquisition of a 65% equity interest in TME will allow us to expand our assembly capacity in the European Union for the production of our EU ECV models, including the Logistar™ series, in addition to the Metro®.

Key Factors Affecting Operating Results

The Global Economic Environment

Certain factors in the global economic environment that may impact our global operations include, among other things currency fluctuations, capital and exchange controls, global economic conditions including inflation, restrictive government actions, changes in intellectual property, legal protections and remedies, trade regulations, tax laws and regulations and procedures and actions affecting approval, production, pricing, and marketing of, reimbursement for and access to our products, as well as impacts of political or civil unrest or military action, including the current conflict between Russia and Ukraine, tensions between China and the U.S., the U.K., the EU, India and other countries that were heightened during 2021, terrorist activity, unstable governments and legal systems, inter-governmental disputes, public health outbreaks, epidemics, pandemics, natural disasters or disruptions related to climate change. We are monitoring the situation closely.

Impact of COVID-19 Pandemic on the Company

The COVID-19 pandemic and associated containment measures have caused economic and financial disruptions globally, affecting regions in which we sell our ECVs and conduct our business operations. We are unable to predict the full impact the pandemic may have on our results of operations, financial condition, liquidity, and cash flows due to numerous uncertainties, including the progression of the pandemic, governmental and other responses, as well as the resulting supply shortages and macroeconomic impacts, including price inflation. In addition, new variant strains of COVID-19 have emerged in different locations around the world, including the Omicron variant and its new subvariants. The impact of COVID variants cannot be predicted at this time and could depend on numerous factors, including vaccination rates among the population, the effectiveness of COVID-19 vaccines against new variants and the response by governmental bodies and regulators.

We are unable to predict the extent of the impact of the pandemic on our customers, suppliers, and other partners. For the six months ended June 30, 2022 and 2021, the COVID-19 pandemic contributed to uncertainty in the demand environment for our ECVs. Our business was adversely affected by supply constraints resulting from the pandemic that affected the timing of shipments of certain components and ECVs in desired quantities or configurations. Furthermore, our supply chains and manufacturing were impacted by lockdowns and containment measures implemented by local governments in China. For example, a government-imposed lockdown in Shanghai that occurred in the first half of 2022 resulted in a delay in our receipt of certain raw materials and components, as well as delays in customer deliveries. We may continue to experience delay as lockdowns still occur from time to time.

Shortages of Shipping Containers and Certain Components and Raw Materials

We rely heavily on the international shipping industry to transport our vehicles from our facilities (and those of our manufacturing partners) in China to our local assembly facilities and channel partners around the world. There is currently a shortage of shipping capacity from China and other parts of Asia, and as a result, our ability to deliver our ECV units to our channel partners has been disrupted and delayed. This challenge has impacted the timing of sales to some of our customers as we work to manage product availability and in certain cases adjust orders and shipping cost with our suppliers, manufacturing partners and customers.

Additionally, our ECVs utilize various raw materials including aluminum, steel, carbon fiber, non-ferrous metals such as copper, lithium, nickel and cobalt, as well as key component inputs such as semiconductors. The prices for these raw materials fluctuate depending on factors beyond our control, including market conditions and global demand for these materials, and have adversely affected our business and operating results. The global semiconductor supply shortage is also having wide-ranging effects across multiple industries, particularly the automotive industry, and it has impacted multiple suppliers that incorporate semiconductors into the parts they supply to us. Due to shortages related to the impact of COVID-19 and other factors, our vendors are also experiencing substantial increases in the price of commodities such as steel and lithium, which are key raw materials in the manufacture of our chassis and batteries, respectively.

Such shortages have had, and will continue to have, a negative impact on vehicle production, gross profit margin, product delivery time and revenue recognition. Our operating results for the six months ended June 30, 2022 have been significantly impacted by such shortages and we expect such shortages to continue for the foreseeable future.

In order to reduce the risk of international shipping disruptions and supply chain concentration, we are considering diversification, using more local suppliers, and producing some critical components by ourselves. We are also transitioning from channel partners to in-house sales teams for the marketing and distribution of our vehicles in North America. Such considerations may introduce short-term challenges on quality assurance, material risk, and local government approvals, but would allow the Company to have procurement and production localizations that are mostly supported by local governments in the long run.

New ECV Models

Recently, we introduced three new ECV models, each of which are designed for specific geographic markets and to address additional commercial applications.

- The Logistar™ 400 is a U.S. Class 4 (over 14,000 lbs.) medium-duty electric commercial truck designed primarily for urban delivery and freight to cover two significant markets that include last mile delivery fleets and upfitters. The Company has showcased the LS 400 series at various key industry events and exhibitions that have led to significant interests. We expect to obtain EPA Certification for Logistar™ 400 by end of September 2022.

- The Logistar™ 100 is a European Union N1 Class electric commercial vehicle designed to be a versatile, compact light cargo van purpose-built to serve diverse commercial applications, especially in urban areas with high population density. We have received European Type approval for LS100. Cenntro's first Logistar 100 rolled off the production line with deliveries to Europe scheduled in the beginning of September 2022 with launches in the Asian, Caribbean, and South American markets to follow.

- The Logistar™ 260 is a European Union N1 Class electric commercial vehicle designed to target a wide range of applications in the trades, couriers, express and parcel services, logistics solutions, and facility management segments, with initial deliveries to Europe scheduled by the end of September. We have received European Type approval for LS 260 and the production has commenced.

Launch of Lithium Battery Project

Given the backdrop of increased battery cost and a global supply chain challenge, Cenntro set up a unit Cennatic Power Inc. to produce advanced lithium-ion batteries for its electric commercial vehicles ("ECV") to secure and stabilize battery supply. Bringing production of essential battery technologies and manufacturing process in-house will enable the Company to expedite the development of ECVs, reduce supply chain dependency from China, and lower battery cell costs. The construction of the Battery factory is completed. Propriety production machinery has already been manufactured and validated. We are also in a process of filing for three patents.

Building EV Distribution and Service Infrastructure

To align with our own direct Go-To-Market strategy, we are investing in building Cenntro's EV centers which serve as parts distribution warehouses and dealers sales support centers in regions including the United States, Poland, Germany, Spain, Morocco, and Jamaica.

At the same time, we have initiated the transition from private label distribution to a direct B2B marketing and sales team in North America. The Company will assemble its Metro product in-house and market Metro directly to its distributors in the United States. During this transition, there is temporary disruption to our Metro sales in the North American Market. However, the Company will now have full control over the production and sales in the United States to assure product quality, reduce the overhead and to boost brand awareness.

See "Risk Factors-Risks Related to Our Business and Financial Results-Our future success depends on our ability to introduce new models and we may experience delays in launching and ramping up production of our new ECV models."

A. Key Components of Results of Operations

Net revenues

We generate revenue primarily through the sale of ECVs to our channel partners. Historically, these revenues were generated solely by the sale of the Metro® but we recently began generating revenue from the sales of the Logistar™ 200 in Europe.

Net revenues during the periods of six months ended June 30, 2022 and 2021 were generated from (a) vehicles sales, which primarily represent net revenues from sales of Metro® and Logistar™ 200 vehicles (including vehicle kits), (b) sales of ECV spare-parts related to our Metro® vehicles, and (c) other sales, which primarily relate to: (i) sales of ECV batteries to certain customers and (ii) charges on services provided to channel partners for technical developments and assistance with vehicle homologation or certification.

Cost of goods sold

Our cost of goods sold mainly consists of production-related costs including costs of raw materials, consumables, direct labor, overhead costs, depreciation of plants and equipment, manufacturing waste treatment processing fees and inventory write-downs. We incur cost of goods sold in relation to (i) vehicle sales and spare-part sales, including, among others, purchases of raw materials, labor costs, and manufacturing expenses that relate to ECVs, and (ii) other sales, including cost and expenses that are not related to ECV sales. We believe that the average cost per vehicle may continue to decrease because we expect our cost of materials and parts to decrease as our vehicle production volume increases. However, in the short term, certain components and materials may increase in price due to shortages of certain input components such as battery packs and semiconductors. We also anticipate the price of battery packs, the largest portion of our vehicle production cost, will decrease in the long-term, though prices have increased and may continue to increase in the near-term due to the rising price of lithium as a result of COVID-19 and other factors.

Inventories are stated at the lower of cost or net realizable value. The cost of raw materials is determined on the basis of weighted average. The cost of finished goods is determined on the basis of weighted average and is comprised of direct materials, direct labor cost and an appropriate proportion of overhead. Net realizable value is based on estimated selling prices less selling expenses and any further costs of completion. Adjustments to reduce the cost of inventory to net realizable value are made, if required, for estimated excess, obsolescence, or impaired balances. Write-downs are recorded in the cost of goods sold in our statements of operations and comprehensive loss.

Operating expenses

Our operating expenses consist of general and administrative, selling and marketing expenses, and research and development expenses. General and administrative expenses are the most significant components of our operating expenses. Operating expenses also include provision for doubtful accounts.

Research and Development Expenses

Research and development expenses consist primarily of employee compensation and related expenses, prototype expenses, costs associated with assets acquired for research and development, product development costs, production inspection and testing expenses, product strategic advisory fees, third-party engineering and contractor support costs and allocated overhead. We expect our research and development expenses to increase as we continue to invest in new ECV models, new materials and techniques, vehicle management and control systems, digital control capabilities and other technologies.

Selling and Marketing Expenses

Selling and marketing expenses consist primarily of employee compensation and related expenses, sales commissions, marketing programs, freight costs, travel and entertainment expenses and allocated overhead. Marketing programs consist of advertising, tradeshows, events, corporate communications and brand-building activities. We expect our selling and marketing expenses to increase as we introduce our new ECV models, further develop additional channel partners and expand our sales globally.

General and Administrative Expenses

General and administrative expenses consist primarily of employee compensation and related expenses for administrative functions including finance, legal, human resources and fees for third-party professional services, provision for doubtful account and allocated overhead. While we will continue to monitor general and administrative expenses, we expect general and administrative expenses to materially increase over the next two years in connection with the execution of our growth strategy, including the regionalization of our manufacturing and supply chain, expanded product offerings and expenses relating to being a public company. A provision for doubtful accounts is recorded for periods in which we determine a loss on a receivable is probable, based on our assessment of specific factors, such as troubled collections, historical experience, aging accounts, ongoing business relations and other factors. Account balances are charged off against the provision after all means of collection have been exhausted and the potential for recovery is considered remote.

Other income (expenses)

Interest income, net

Interest income, net, consists of interest income from cash deposits and interest expenses on outstanding loans and other borrowings.

Gain from equity method investments

Entities over which we have the ability to exercise significant influence but do not have a controlling interest through investment in common shares, or in-substance common shares, are accounted for using the equity method. Under the equity method, we initially record our investment at cost and subsequently recognize our proportionate share of each such entity's net income or loss after the date of investment into our statements of operations and comprehensive loss and accordingly adjust the carrying amount of the investment. When our share of losses in the equity of such entity equals or exceeds our interest in the equity of such entity, we do not recognize further losses, unless we have incurred obligations or made payments or guarantees on behalf of such entity. An impairment charge is recorded when the carrying amount of the investment exceeds its fair value and this condition is determined to be other-than-temporary. The adjusted carrying amount of the assets become new cost basis.

Key Operating Metrics

We prepare and analyze operating and financial data to assess the performance of our business and allocate our resources. The following table sets forth our key performance indicators for the six months ended June 30, 2022 and 2021.

	Six Months Ended June 30,	
	2022	**2021**
(Expressed in U.S. Dollars)	**(Unaudited)**	
Gross margin of vehicle sales	8.7%	5.9%
Adjusted EBITDA	$ (12,947,065)	$ (3,013,739)

Gross margin of vehicle sales. Gross margin of vehicle sales is defined as gross profit of vehicle sales divided by total revenue of vehicle sales.

Adjusted EBITDA. We define Adjusted EBITDA as net (loss)/income before net interest expense, income tax expense and depreciation and amortization as further adjusted to exclude the impact of stock-based compensation expense and non-recurring or extraordinary expenses, losses, charges or gains. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors because not all companies and analysts calculate Adjusted EBITDA in the same manner. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations. See "-Non-GAAP Financial Measures and Non-IFRS Financial Information."

Results of Operations

The following table sets forth a summary of our statements of operations for the periods indicated:

	Six Months Ended June 30,	
(Expressed in U.S. Dollars)	2022	2021
	(Unaudited)	
Statements of Operations Data:		
Net revenues	5,035,322	2,455,726
Cost of goods sold	(4,503,840)	(2,005,426)
Gross profit	**531,482**	**450,300**
Operating Expenses:		
Selling and marketing expenses	(2,626,568)	(262,372)
General and administrative expenses	(20,226,284)	(4,082,199)
Research and development expenses	(1,814,512)	(637,067)
Total operating expenses	(24,667,364)	(4,981,638)
Loss from operations	**(24,135,882)**	**(4,531,338)**
Other Income (Expense):		
Interest income/(expense), net	286,873	(417,826)
Gain from equity method investments	10,878	-
Other income, net	734,981	402,333
Loss before income taxes	(23,103,150)	(4,546,831)
Income tax benefit	48,861	-
Net loss	**(23,054,289)**	**(4,546,831)**
Less: net loss attributable to non-controlling interests	(670,641)	(4,264)
Net loss attributable to the Company's shareholders	**(22,383,648)**	**(4,542,567)**

Net Revenues

The following table presents our net revenue components by amount and as a percentage of the total net revenues for the periods presented.

	Six Months Ended June 30,			
	2022		2021	
(Expressed in U.S. Dollars)	Amount	%	Amount	%
	(Unaudited)			
Net revenues:				
Vehicle Sales	$ 4,852,930	96.38%	$ 2,007,537	81.75%
Spare-part sales	84,626	1.68%	81,074	3.30%
Other sales	97,766	1.94%	367,115	14.95%
Total net revenues	$ 5,035,322	100.00%	$ 2,455,726	100%

Net revenues for the six months ended June 30, 2022 was approximately $5.0 million, an increase of $2.5 million or approximately 105.04% from approximately $2.5 million for the six months ended June 30, 2021. The increase in net revenues in the first six months of 2022 was primarily attributed to (i) an increase in vehicle sales of approximately $2.1 million primarily attributable to a 100% increase in Logistar® 200 units sold. (ii) a 95.8% higher average selling price per unit due to the improvement of the product mix to include Logistar® 200 and other pricing changes.

For the six months ended June 30, 2022, we sold 337 ECVs, including 48 Metro® vehicle kits, 155 fully assembled Metro® vehicle kits, 132 fully assembled Logistar® 200 units, and 2 fully assembled other models compared with 273 ECVs for the six months ended June 30, 2021, including 234 Metro® vehicle kits and 39 fully assembled Metro® units.

For the six months ended June 30, 2022, net revenues from vehicle sales in Europe, North America, and Asia (including China) as a percentage of total vehicle net revenues was 59.1%, 8.8% and 32.1%, respectively, compared to 56.7%, 22.5%, and 20.8%, respectively, for the corresponding period in 2021.

Cost of goods sold

The following table presents our cost of goods sold by amount and as a percentage of the total cost of goods sold for the periods presented.

	Six Months Ended June 30,			
	2022		2021	
(Expressed in U.S. Dollars)	Amount	%	Amount	%
	(Unaudited)			
Cost of goods sold:				
Vehicle Sales	$ (3,832,462)	85.09%	$ (1,375,140)	68.57%
Spare-part sales	(46,639)	1.04%	(39,867)	1.99%
Other sales	(26,272)	0.58%	(77,237)	3.85%
Inventories write-downs	(598,467)	13.29%	(513,182)	25.59%
Total cost of goods sold	$ (4,503,840)	100.00%	$ (2,005,426)	100.00%

Our cost of goods sold for the six months ended June 30, 2022 was approximately $4.5 million, an increase of approximately $2.5 million or approximately 124.6% from approximately $2.0 million for the six months ended June 30, 2021. The increase in cost of goods sold in six month ended June 2022 was primarily attributed to an increase in the number of new model vehicles sold to our channel partners, including an additional 132 Logistar® 200 units sold.

Inventory write-downs for the six months ended June 30, 2022 was approximately $0.60 million, an increase of approximately $0.09 million or approximately 16.6% from approximately $0.51 million for the six months ended June 30, 2021. The increase in inventory write-downs in 2022 primarily resulted from the routine assessment of inventory obsolescence resulted from technical upgrades.

Gross Profit

Gross profit for the six months ended June 30, 2022 was approximately $0.53 million, an increase of approximately $0.08 million from approximately $0.45 million for the six months ended June 30, 2021. For the six months ended June 30, 2022 and 2021, our overall gross margin was approximately 10.6% and approximately 18.3%, respectively. Our gross margin for Metro® vehicle sales excluding inventory write-downs was approximately 24.8% and approximately 31.5%, respectively, representing a 6.7% decrease, and our gross margin for Logistar® 200 was 24.6% and nil, respectively. For the six months ended June 30, 2022, the decrease in our overall gross margin of approximately 7.7 percentage was primarily due to both the inflation pressure on input costs such as battery and the shipping costs especially as shipping costs of a 40-foot container to Hamburg or New York has risen to a high of $20,000 for the first half of 2022 from the average of $2,000 for the same period last year. Recently in August, the average cost of shipping the same 40-foot container has come down to $5,000.

Selling and Marketing Expenses

Selling and marketing expenses for the six months ended June 30, 2022 were approximately $2.6 million, an increase of approximately $2.3 million or approximately 901.1% from approximately $0.3 million for the six months ended June 30, 2021. The increase in selling and marketing expenses in 2022 was primarily attributed to an increase in marketing expense, salary and compensation expense, freight costs, and after sale service costs of approximately 1.0 million, 0.6 million, 0.3 million, and 0.1 million, respectively.

General and Administrative Expenses

General and administrative expenses for the six months ended June 30, 2022 were approximately $20.2 million, an increase of approximately $16.0 million or approximately 386.1% from approximately $4.2 million for the six months ended June 30, 2021. The increase in general and administrative expenses in 2022 was primarily attributable to increases in expenses related to (i) an increase in non-recurring fees and expenses of approximately $6.5 million related the compensation to certain directors, which mainly included approximately $4.85 million to the former CEO of the Naked Brand Group and a company controlled by him as compensation before his resignation for their past services to the Company and $1 million to a former Director of Naked Brand Group (i.e. Andrew Shape) as Director's Fee, (ii) an increase in non-recurring expenses of approximately $1.8 million for compensation in 2022 related to FOH divesture, (iii) an increase of salaries of approximately $1.6 million as the Company expanded its administrative operations in the U.S. and globally, (iv) an increase of legal and other professional services of approximately $3.1 million to serve the Company as a public listed entity and to support recent acquisition and the equity financing concluded during the six months ended June 30, 2022, (v) an increase of rent and office expense of approximately $1.2 million, and (vi) additional amortized share-based compensation expense related to the vesting of the newly granted 2022 Option Plan of approximately $0.5 million.

Research and Development Expenses

Research and development expenses for the six months ended June 30, 2022 were approximately $1.8 million, an increase of approximately $1.2 million or approximately 184.8% from approximately $0.6 million for the six months ended June 30, 2021. The increase in research and development expenses in 2022 was primarily due to increases in the design and development expenses and salary expenses of approximately $0.7 million and $0.4 million, respectively.

Interest income (expense), net

Interest income (expense), net, consists of interest income from cash deposit and interest expense on outstanding loans and other borrowings. Net interest income was approximately $0.3 million for the six months ended June 30, 2022, compared to the net interest expenses of approximately $0.4 million for the six months ended June 30, 2021. The change was primarily attributable to the increased interest income earned from the significant increase of cash balances and the Company has repaid loans from related parties and third parties during the second half of the year 2021.

Other income, net

Other income, net for the six months ended June 30, 2022 was approximately $0.7 million, representing a increase of approximately $0.3 million or approximately 82.7 % compared to approximately $0.4 million for the six months ended June 30, 2021. The increase of other income in the first half year of 2022 compared to the corresponding period of 2021 was primarily attributable to the increase on exchange gain of approximately $0.6 million, offset by non-recurrences of the gain from a dormant subsidiary’s winding up of approximately 0.1 million that incurred in the six months ended June 30, 2021, and the decrease of gain from disposal of equipment of approximately 0.1 million, respectively.

Non-GAAP Financial Measures and Non-IFRS Financial Information

Adjusted EBITDA for the Six Months Ended June 30, 2022 and 2021

In addition to our results determined in accordance with U.S. GAAP, we believe Adjusted EBITDA, a non-GAAP measure is useful in evaluating operational performance. We use Adjusted EBITDA to evaluate ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors in assessing operating performance.

Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, U.S. GAAP. Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income or any other performance measure derived in accordance with U.S. GAAP. We define Adjusted EBITDA as net income (or net loss) before net interest expense, income tax expense, and depreciation and amortization, as further adjusted to exclude the impact of stock-based compensation expense and other non-recurring or extraordinary expenses, losses, charges or gains.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations. Management uses Adjusted EBITDA:

- as a measurement of operating performance because it assists us in comparing the operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations;
- for planning purposes;
- to evaluate the performance and effectiveness of our operational strategies; and
- to evaluate our capacity to expand our business.

By providing this non-GAAP financial measure, together with the reconciliation, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors because not all companies and analysts calculate Adjusted EBITDA in the same manner. Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as an alternative to, or a substitute for net income or other financial statement data presented in our financial statements as indicators of financial performance. Some of the limitations are:

- such measures do not reflect our cash expenditures;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- although depreciation and amortization are recurring, non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- the exclusion of stock-based compensation expense, which has been a significant recurring expense and will continue to constitute a significant recurring expense for the foreseeable future, as equity awards are expected to continue to be an important component of our compensation strategy.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our U.S. GAAP results and using these non-GAAP measures only as supplemental information. As noted in the table below, Adjusted EBITDA includes adjustments to exclude the impact of stock-based compensation expense and other non-recurring or extraordinary expenses, losses, charges or gains. It is reasonable to expect that certain of these items will occur in future periods. However, we believe these adjustments are appropriate because the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our business and may complicate comparisons of our internal operating results and operating results of other companies over time. In addition, Adjusted EBITDA may include adjustments for other items that we do not expect to regularly occur in future reporting periods. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation table below help management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations.

The following table reconciles Adjusted EBITDA to the most directly comparable U.S. GAAP financial performance measure, which is net loss:

	Six Months Ended June 30,	
	2022	2021
(Expressed in U.S. Dollars)	(Unaudited)	
Net loss	$ (23,054,289)	$ (4,546,831)
Interest (income) expense, net	(286,873)	417,826
Income tax benefit	(48,861)	-
Depreciation and amortization	484,937	395,776
Share-based compensation expense	1,309,856	719,490
Expenses related to TME Acquisition	348,987	-
Expenses related to one-off payment inherited from the original Naked Brand Group	8,299,178	-
Adjusted EBITDA	$ (12,947,065)	$ (3,013,739)

Presentation of U.S. GAAP financial information rather than IFRS financial information

Our Unaudited Financial Statements have been prepared in accordance with U.S. GAAP. As an Australian public limited company, we are subject to the Corporations Act, which requires that financial statements be prepared and audited in accordance with AAS and IFRS and lodged with the Australian Securities and Investments Commission ("ASIC"). The financial information in this discussion and analysis (including the information derived from the Unaudited Financial Statements) are not financial statements for the purposes of the Corporations Act and is considered "non-IFRS financial information" under the Australian Securities and Investment Commission's Regulatory Guide 230: 'Disclosing non-IFRS financial information.' Such non-IFRS financial information may not be comparable to similarly titled information presented by other entities and should not be construed as an alternative to other financial information prepared in accordance with AAS or IFRS.

We believe that our results determined in accordance with U.S. GAAP ("GAAP Results"), as well as Adjusted EBITDA, a non-IFRS measure, are useful in evaluating operational performance. We use GAAP Results and Adjusted EBITDA to evaluate ongoing operations, for internal planning and forecasting purposes and for informing our investors based in the United States.

Our GAAP Results are not a measurement of our financial performance under IFRS and should not be considered as an alternative to performance measures derived in accordance with IFRS.

By providing this non-IFRS financial information, together with the reconciliation, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. We caution investors that amounts presented in accordance with U.S. GAAP may not be comparable to similar measures presented in accordance with IFRS.

Adjusted EBITDA is not a measurement of our financial performance under IFRS. See "-Non-GAAP Financial Measures and Non-IFRS Financial Information- Adjusted EBITDA for the Six Months ended June 30, 2022 and 2021." The information presented thereunder as to why management believes that investors' understanding of our performance is enhanced by its presentation (in addition to U.S. GAAP financial measures), as well as the cautionary statements thereunder, apply equally in relation to the fact that Adjusted EBITDA is not a measurement of our financial performance under IFRS.

The following U.S. GAAP to IFRS reconciliation tables include IFRS information as of and for the six months ended June 30, 2022 and 2021. The December 31, 2021 IFRS information was derived from the Company's Annual Report dated December 31, 2021 filed with ASIC in accordance with the Corporations Act.

The following table reconciles our balance sheet under U.S. GAAP with our unaudited balance sheet under IFRS as of June 30, 2022 and our audited balance sheet under IFRS as of December 31, 2021, respectively:

	For the Six Months Ended			For the Year Ended		
	June 30, 2022 (Unaudited)				December 31, 2021 (Audited)	
Balance Sheet:	**U.S. GAAP**	**IFRS Difference**	**IFRS**	**U.S. GAAP**	**IFRS Difference**	**IFRS**
Current assets						
Cash and cash equivalents	$ 182,965,993	-	**$ 182,965,993**	$ 261,069,414	-	261,069,414
Restricted cash	573,597	-	**573,597**	595,548	-	595,548
Accounts receivable, net	2,516,106	-	**2,516,106**	2,047,560	-	2,047,560
Inventories	20,920,414	-	**20,920,414**	8,139,816	-	8,139,816
Prepayment and other current assets	15,173,984	-	**15,173,984**	7,989,607	-	7,989,607
Amount due from related parties - current	582,561	-	**582,561**	1,232,634	-	1,232,634
Total current assets	**222,732,655**	-	**222,732,655**	**281,074,579**	-	**281,074,579**
		-				
Non-current assets		-				
Accounts receivable, net- non-current	1,173,268		**1,173,268**	-		-
Equity investments	428,435	-	**428,435**	329,197	-	329,197
Plants and equipment, net	1,545,238	-	**1,545,238**	1,301,226	-	1,301,226
Goodwill	10,874,027		**10,874,027**	-		-
Intangible assets, net	2,775,298	-	**2,775,298**	3,313	-	3,313
Right-of-use assets , net	8,650,035	-	**8,650,035**	1,669,381	-	1,669,381
Amount due from related parties - non-current	4,471,660		**4,471,660**	4,834,973		4,834,973
Other non-current assets, net	11,098,419	-	**11,098,419**	2,151,700	-	2,151,700
Total non-current assets	**41,016,380**		**41,016,380**	**10,289,790**		**10,289,790**
Total assets	**$ 263,749,035**		**$ 263,749,035**	**$ 291,364,369**		**291,364,369**
Current liabilities						
Accounts payable	2,739,551	-	**2,739,551**	3,678,823	-	3,678,823
Accrued expense and other current liabilities	4,172,864	-	**4,172,864**	4,183,263	-	4,183,263
Contractual liabilities	2,731,428	-	**2,731,428**	1,943,623	-	1,943,623
Operating lease liabilities, current	1,426,428	-	**1,426,428**	839,330	-	839,330
Amount due to related parties	4,908,209	-	**4,908,209**	15,756,028	-	15,756,028
Total current liabilities	**15,978,480**		**15,978,480**	**26,401,067**		**26,401,067**
Non-current liabilities						
Other non-current liabilities	100,000	-	**100,000**	700,000	-	700,000
Deferred tax liabilities	832,589	-	**832,589**	-		-
Operating lease liabilities, non-current	7,078,860	-	**7,078,860**	489,997		489,997
Total non-current liabilities	**8,011,449**	-	**8,011,449**	**1,189,997**		**1,189,997**
Total liabilities	**$ 23,989,929**		**$ 23,989,929**	**$ 27,591,064**		**27,591,064**
Equity						
Ordinary shares (No par value; 261,256,254 shares issued and outstanding as of June 30, 2022 and December 31, 2021)	-	-	**-**	-	-	-
Additional paid-in capital	376,211,795	184,847,248(1)	**561,059,043**	374,901,939	186,157,104(1)	561,059,043
Accumulated other comprehensive loss	(5,347,621)	5,347,621	**-**	(1,392,699)	1,392,699	-
Reserves	-	19,235,062(2)	**19,235,062**		21,880,128(2)	21,880,128
Accumulated deficit	(132,119,583)	(209,429,931)	**(341,549,514)**	(109,735,935)	(209,429,931)	(319,165,866)
Total Stockholders' Equity	**238,744,591**		**238,744,591**	**263,773,305**		**263,773,305**

Noncontrolling interest	1,014,515		**1,014,515**	-	-	-
Total Equity	**239,759,106**		**239,759,106**	**263,773,305**		**263,773,305**
Total Liabilities and Equity	**$ 263,749,035**		**$ 263,749,035**	**$ 291,364,369**		**291,364,369**

(1) Includes $(24,582,683) (2021: $(23,272,827)) in share-based compensation payments and additional equity of $209,429,931 recognized in 2021 from the difference between the deemed transaction price and net assets acquired related to the Combination under IFRS.

(2) Includes (i) a reclassification of Accumulated other comprehensive loss under U.S. GAAP of $5,347,621 (2021: $(1,392,699)) and (ii) a reclassification of Additional paid-in capital under U.S. GAAP of $24,582,683 (2021: $23,272,827) in share-based compensation payments to Reserves under IFRS.

The following table reconciles our statement of operations under U.S. GAAP with our statement of operations under IFRS for the six months ended June 30, 2022 and 2021, respectively:

	For the Six Months Ended June 30,					
	2022			2021		
Statement of Operations:	**U.S. GAAP**	**IFRS Difference**	**IFRS**	**U.S. GAAP**	**IFRS Difference**	**IFRS**
Net revenues	$ 5,035,322		$ 5,035,322	$ 2,455,726	-	$ 2,455,726
Cost of goods sold	(4,503,840)		(4,503,840)	(2,005,426)	-	(2,005,426)
Gross Profit	**531,482**		**531,482**	**450,300**		**450,300**
Selling and marketing expenses	(2,626,568)		(2,626,568)	(262,372)	-	(262,372)
General and administrative expenses	(20,226,284)		(20,226,284)	(4,082,199)	-	(4,082,199)
Research and development expenses	(1,814,512)		(1,814,512)	(637,067)	-	(637,067)
Total operating expenses	**(24,667,364)**		**(24,667,364)**	**(4,981,638)**	**-**	**(4,981,638)**
Loss from operations	**(24,135,882)**		**(24,135,882)**	**(4,531,338)**		**(4,531,338)**
Interest income (expense), net	286,873		286,873	(417,826)	-	(417,826)
Other income, net	734,981		734,981	402,333	-	402,333
Gain from equity method investments	10,878		10,878	-	-	-
Loss before income taxes	**(23,103,150)**		**(23,103,150)**	**(4,546,831)**		**(4,546,831)**
Income tax benefit	48,861		48,861	-	-	-
Net loss	**(23,054,289)**		**(23,054,289)**	**(4,546,831)**		**(4,546,831)**
Less: Net loss attributable to non-controlling interests	(670,641)		(670,641	(4,264)	-	(4,264)
Net loss attributable to shareholders	**$ (22,383,648)**		**$ (22,383,648)**	**$ (4,542,567)**		**$ (4,542,567)**
Other comprehensive loss				-	**-**	-
Foreign currency translation adjustment	(3,825,086)		(3, 825,086)	207,199	-	207,199
Total comprehensive loss	**(26,879,375)**		**(26,879,375)**	**(4,339,632)**		**(4,339,632)**
Total comprehensive loss attributable to non-controlling interests	(540,805)	-	(540,805)	(5,689)	-	(5,689)
Total comprehensive loss attributable to the Company's shareholders	**(26,338,570)**		**(26,338,570)**	**(4,333,943)**		**(4,333,943)**

As set forth above, the material differences between the U.S. GAAP and IFRS presentation with respect to our consolidated balance sheet as of June 30, 2022 and combined balance sheet as of December 31, 2021 are as follows:

a) The reclassification of "Accumulated other comprehensive loss" under U.S. GAAP to "Reserves" under IFRS;
b) The reclassification of amounts of IFRS share-based payments from "Additional paid-in capital" under U.S. GAAP to "Reserves" under IFRS; and
c) Additional equity recognized from the difference between the total deemed transaction price and net assets acquired related to the Combination under IFRS.
d) In 2021, the Company was deemed to have incurred non-cash listing costs of approximately $209.4 million as a result of the IFRS accounting treatment of the Combination, as Cenntro was deemed to have received a 67% controlling interest in CEGL and the Company was deemed to have incurred listing costs equaling the difference between the total deemed transaction price and total net assets. Under U.S. GAAP, the Combination is accounted for as a reverse recapitalization, which is equivalent to the issuance of shares by Cenntro for the net assets of CEGL (formerly NBG), accompanied by a recapitalization.

As set forth above, there is no difference between the U.S. GAAP and IFRS presentation as it relates to our combined statement of operations and comprehensive loss for the six months ended June 30, 2022 and 2021.

B. Liquidity and Capital Resources

We have historically funded working capital and other capital requirements primarily through bank loans, equity financings and short-term loans. Also, the reverse recapitalization we have completed at end of December 2021 provided significant funding for the company's operations. Cash is required primarily to purchase raw materials, repay debts and pay salaries, office expenses and other operating expenses.

As of June 30, 2022, we had approximately $183 million in cash and cash equivalents and approximately $2.5 million of accounts receivables as compared to approximately $261.1million in cash and cash equivalents and $2.0 million in accounts receivable as of December 31, 2021. For the six months ended June 30, 2022 and 2021, net cash used in operating activities was approximately $29.1 million and approximately $6.4 million, respectively. As of June 30, 2022, we had approximately $0.06 million in outstanding borrowings due to related parties.

Short-Term Liquidity Requirements

We believe our cash and cash equivalents will be sufficient for us to continue to execute our business strategy over the twelve-month period following the date of this Report. Our current business strategy for the next twelve months includes (i) the continued rollout of our new ECV models in North America and Europe, as applicable, (ii) the establishment of local assembly facilities in the United States and the European Union and (iii) investments in equipment for the expansion of our factory in Changxing, China. Actual results could vary materially as a result of a number of factors, including:

- The costs of bringing our new facilities into operation;
- The timing and costs involved in rolling out new ECV models to market;
- Our ability to manage the costs of manufacturing our ECVs;
- The costs of maintaining, expanding and protecting our intellectual property portfolio, including potential litigation costs and liabilities;
- Revenues received from sales of our ECVs;
- The costs of additional general and administrative personnel, including accounting and finance, legal and human resources, as well as costs related to litigation, investigations, or settlements;
- Our ability to collect future revenues; and
- Other risks discussed in the section titled "*Risk Factors*."

We continue implementing measures that increase revenues and control operating costs and expenses, such as implementing comprehensive budget controls and operational assessments, implementing enhanced vendor review and selection processes as well as enhancing our internal controls.

Long-Term Liquidity Requirements

In the long-term, we plan to regionalize the manufacturing and supply chain relating to certain key components of our ECVs in geographic markets in which our ECVs are sold. In the long-term, through our supply chain development know-how, we intend to establish supply chain relationships in North America and the European Union to support anticipated manufacturing and assembly needs in these markets, thereby reducing the time in transit and potentially other costs relating to importing our components and spare parts from China. We have initiated the transition from private label distribution to a direct B2B marketing and sales team in North America. Cenntro will assemble its Metro product in-house ad market Metro directly to its distributors in the United States. As part of our growth strategy, we plan to grow our dealership network and expand local assembly facilities to regionalize our manufacturing and supply chains to better serve our global customers.

We intend to further expand our technology through continued investment in research and development. Since inception in 2013 through June 30, 2022, we have spent over approximately $76.9 million in research and development activities related to our operations. We plan to increase our research and development expenditures over the long term as we build on our technologies in digital components and smart driving to address the autonomous driving market.

For our long-term business plan, we plan to fund current and future planned operations mainly through cash on hand, cash flow from operations, lines of credit and additional equity and debt financings to the extent available on commercially favorable terms.

Working Capital

As of June 30, 2022, we had working capital of approximately $206.8 million, as compared to approximately $254.7 million as of December 31, 2021. The approximately $47.9 million decrease in working capital during the six months ended June 30, 2022 was primarily due to expenditures in connection with the extending of new vehicle models and further market reach.

Borrowings

Borrowings

Prior to December 2020, we had six working capital loans outstanding, consisting of three loans from China Construction Bank Shengzhou Branch and three loans from Agricultural Bank of China Shengzhou Economic Development Zone Branch in the aggregate amount of approximately $15.4 million. The bank loans were secured by a lien on our land use rights and properties, which were sold in November 2020. As of December 31, 2020, we paid off in full all outstanding bank loans. In addition, historically, we received additional debt financing from related parties and third parties. As of December 31, 2021, the outstanding amounts owed to related parties and third parties including accrued and unpaid interest, was approximately $2.2 million representing a decrease of approximately $4.5 million from approximately $6.7 million as of December 31, 2020. The decrease was primarily due to the repayment of outstanding loans to related parties and other third parties in 2021 using the proceeds of the NBG Bridge Loan following the closing of the Combination. As of June 30, 2022, we paid off all outstanding borrowings due to third parties and we had approximately $0.06 million in outstanding borrowings due to related parties.

Cash Flow

	Six Months Ended June 30,	
(Unaudited)	**2022**	**2021**
Net cash used in operating activities	$ (29,071,262)	$ (6,416,398)
Net cash provided (used in) by investing activities	(17,112,002)	5,594,878
Net cash used in financing activities	(30,960,641)	(1,799,064)
Effect of exchange rate changes on cash	(981,467)	36,693
Net decrease in cash, cash equivalents and restricted cash	(78,125,372)	(2,583,891)
Cash and cash equivalents, and restricted cash at beginning of the year	261,664,962	4,549,034
Cash and cash equivalents, and restricted cash at end of the period	$ 183,539,590	$ 1,965,143

Operating Activities

Our net cash used in operating activities was approximately $29.1 million and $6.4 million for the six months ended June 30, 2022 and 2021, respectively.

Net cash used in operating activities for the six months ended June 30, 2022 was primarily attributable to (i) our net loss of approximately $23.1 million, as adjusted for non-cash items of approximately $3.4 million, which primarily consisted of depreciation and amortization, amortization of operating lease right-of-use assets, write-down of slow-moving inventories, net foreign currency exchange loss and share-based compensation expense of approximately $0.5 million, $0.7 million, $0.6 million, $0.4 million and $1.3 million, respectively, (ii) a decrease in accounts payable, operating lease liabilities, and long-term payables and of approximately $3.1 million, $0.6 million, and $0.6 million, respectively, and (iii) an increase in inventories, accounts receivable, prepayments and other assets, amounts due from related parties, and accrued expense and other current liabilities of approximately $7.9 million, $1.6 million, $1.6 million, $0.7 million, and $0.5 million, respectively, and was partially offset by an increase of amount due to related parties and deferred revenue of $5.6 million and $0.5 million, respectively.

Net cash used in operating activities for the six months ended June 30, 2021 was primarily attributable to (i) our net loss of approximately $4.5 million and adjusted for non-cash items of approximately $1.7 million, which primarily consisted of share-based compensation expense, impairment of slow-moving inventory, and depreciation and amortization of approximately $0.7 million, $0.5 million, and $0.4 million, respectively, (ii) a decrease of accounts payable of approximately $2.3 million and (iii) an increase of other non-current assets, amounts due from/to related parties and accounts receivable of approximately $1.4 million, $0.3 million and $1.2 million, respectively, which was partly offset by the increase in the accrued expense and other current liabilities of $1.0 million and decrease of inventories of approximately $0.9 million.

Our operations for the six months ended June 30, 2022 were significantly adversely affected by the COVID-19 pandemic as previously discussed. We had limited cash flow generated from operating activities due to deferred sales orders and shipments, and our operating expense increased in connection with the Combination.

Investing Activities

Net cash used in investing activities was approximately $17.1 million for the six months ended June 30, 2022. Net cash used in investing activities for the six months ended June 30, 2022 was primarily attributable to purchase of land use rights and property, loans provided to third parties, and cash paid to acquire of 65% of CAE's shares of approximately $9.2 million, $5.1 million, and $3.6 million, respectively, which was partially offset by approximately $1.1 cash gained from acquisition of CAE.

Net cash provided by investing activities was approximately $5.6 million for the six months ended June 30, 2021. Net cash provided by investing activities for the six months ended June 30, 2021 was primarily attributable to proceeds from the sale of land use rights and properties in 2020 received in the first six months of 2021 in the amount of approximately $6.2 million and loan repayments from related parties in the amount of approximately $2.1 million, partially offset by approximately $1.5 million in interest free loans provided to related parties, $0.9 million in payment of long-term investment payable, and $0.3 million in purchase of property, plant and equipment.

Financing Activities

Net cash used in financing activities was approximately $31.0 million for the six months ended June 30, 2022, primarily attributable to the loan repayments made to related parties and third parties, deduction of capital investment prior to the closing of the combination paid in the current period of 2022, purchase of CAE's shareholder loan and payment of expense of reserve recapitalization of approximately $1.7 million, $1.2 million, $13.9 million, $13.2 million and $0.9 million respectively.

Net cash used in financing activities was approximately $1.8 million for the six months ended June 30, 2021, primarily attributable to the loan repayments made to related parties and third parties of approximately $3.3 and $0.9 million, respectively, partially offset by the proceeds of loans from related parties of approximately $2.4 million.

Contractual Obligations

In December 2020, Zhejiang Cenntro Machinery Co., Limited (“Zhejiang Machinery”) signed a non-cancellable operating lease agreement for approximately 165,800 square feet for its ECV manufacturing facility in Changxing, China. The lease period began in April 2021 and ends in March 2024. Pursuant to the agreement, we prepaid the first year of our rent obligations in February 2021 and thereafter will be obligated to pay rent in advance semiannually. The annual base rent for this facility is $469,029.

In February 2021, Cenntro Automotive Corporation (“CAC”) signed a non-cancellable operating lease agreement for warehouse and trial production use in Freehold, New Jersey (Willowbrook Road) of approximately 9,750 square feet. The lease period began in February 2021 and ends in February 2023. The annual base rent for this facility is $127,273. We currently lease the Willowbrook facility on a month-to-month basis at the same annual base rent.

In June 2021, Hangzhou Ronda Tech Co., Limited (“Ronda”) and Hangzhou Cenntro Autotech Co., Limitedsigned two non-cancellable operating lease agreements for approximately 11,700 square feet and 3,767 square feet, respectively, of two floors of an office building in Hangzhou, China. The lease period for each lease agreement began in June 2021 and ends in May 2023. Pursuant to each agreement, we paid the first six months of our rent obligations in June 2021 and thereafter will be obligated to make rental payments in advance semi-annually. The total annual base rent under these two lease agreements is $171,397 for the term ending May 2023.

On December 4, 2021, we entered into an entrustment agreement with Cedar Europe GmbH, a company organized under the laws of Germany ("Cedar") pursuant to which we entrusted Cedar to, in Cedar's name, obtain a lease agreement for facilities in Germany and operate such lease facility under Cedar's name in exchange for the Cenntro's responsibility for all expenditures and costs of the lease. On December 24, 2021, Cedar entered into a lease agreement for an approximately 27,220 square feet facility in Dusseldorf, Germany, where we now house our European Operations Facility. The lease period began on January 1, 2022 and ends on December 31, 2024. Pursuant to such lease agreement, the total annual base rent is €238,800 (or approximately $250,000) for the lease term.

On January 20, 2022, we entered into an operating lease agreement (the "Jacksonville Lease"), between CAC, as tenant, the Company, as guarantor, and JAX Industrial One, LTD., a Florida limited liability company, as landlord, for a facility of approximately 100,000 square feet in Jacksonville, Florida. The lease period commenced in May, 2022 and ends 120 months following a five-month rent abatement period. Pursuant to the Jacksonville Lease, minimum annual rent is approximately $695,000, $722,800, and $751,710, for the first three years, sequentially, and rising thereafter.

Cenntro Automotive Europe GmbH ("CAE") we acquired and consolidated on March 25, 2022 has signed a non-cancellable operating lease agreement for approximately 17,100 square feet for its ECV manufacturing in Herne, Germany. The lease period began in July 2019 and ends in June 2024. Pursuant to the agreement, we are obligated to pay rent in advance by each month. The monthly base rent for this facility is $19,777 and adjustable against the short-term inflation rate in Germany.

Off-Balance Sheet Arrangement

We have not entered into any off-balance sheet financial guarantees or other off-balance sheet commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholders' equity or that are not reflected in our Unaudited Financial Statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Exhibit 99.2

INDEX TO COMBINED FINANCIAL STATEMENTS

CENNTRO ELECTRIC GROUP LIMITED
CONDENSED CONSOLIDATED BALANCE SHEETS
(Expressed in U.S. dollar, except for the number of shares)

	Note	June 30, 2022 Unaudited	December 31, 2021
ASSETS			
Current assets:			
Cash and cash equivalents		$ 182,965,993	$ 261,069,414
Restricted cash		573,597	595,548
Accounts receivable, net	4	2,516,106	2,047,560
Inventories	5	20,920,414	8,139,816
Prepayment and other current assets	6	15,173,984	7,989,607
Amounts due from related parties - current	16	582,561	1,232,634
Total current assets		**222,732,655**	**281,074,579**
Non-current assets:			
Accounts receivable, net- non-current	4	1,173,268	-
Equity investments	7	428,435	329,197
Plants and equipment, net	8	1,545,238	1,301,226
Goodwill	3	10,874,027	-
Intangible assets, net		2,775,298	3,313
Right-of-use assets, net	12	8,650,035	1,669,381
Amount due from related parties - non-current	16	4,471,660	4,834,973
Other non-current assets, net	9	11,098,419	2,151,700
Total non-current assets		**41,016,380**	**10,289,790**
Total Assets		**$ 263,749,035**	**$ 291,364,369**
LIABILITIES AND EQUITY			
LIABILITIES			
Current liabilities:			
Accounts payable		$ 2,739,551	$ 3,678,823
Accrued expenses and other current liabilities	10	4,172,864	4,183,263
Contractual liabilities		2,731,428	1,943,623
Operating lease liabilities, current	12	1,426,428	839,330
Amounts due to related parties	16	4,908,209	15,756,028
Total current liabilities		**15,978,480**	**26,401,067**
Other non-current liabilities		100,000	700,000
Deferred tax liabilities		832,589	-
Operating lease liabilities-non current	12	7,078,860	489,997
Total non-current liabilities		**$ 8,011,449**	**$ 1,189,997**
Total liabilities		**23,989,929**	**27,591,064**
Commitments and contingencies	15		
EQUITY			
Ordinary shares (No par value; 261,256,254 shares issued and outstanding as of June 30, 2022 and December 31, 2021)		-	-
Additional paid in capital		376,211,795	374,901,939
Accumulated deficit		(132,119,583)	(109,735,935)
Accumulated other comprehensive loss		(5,347,621)	(1,392,699)
Total equity attributable to shareholders		**238,744,591**	**263,773,305**
Non-controlling interests		1,014,515	-
Total Equity		**239,759,106**	**263,773,305**
Total Liabilities and Equity		**$ 263,749,035**	**$ 291,364,369**

The accompanying notes are an integral part of these condensed consolidated financial statements.

CENNTRO ELECTRIC GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in U.S. dollar, except for number of shares)

		For the Six Months Ended June 30,	
		2022	**2021**
Net revenues		$ 5,035,322	$ 2,455,726
Cost of goods sold		(4,503,840)	(2,005,426)
Gross profit		**531,482**	**450,300**
OPERATING EXPENSES:			
Selling and marketing expenses		(2,626,568)	(262,372)
General and administrative expenses		(20,226,284)	(4,082,199)
Research and development expenses		(1,814,512)	(637,067)
Total operating expenses		(24,667,364)	(4,981,638)
Loss from operations		**(24,135,882)**	**(4,531,338)**
OTHER INCOME (EXPENSE):			
Interest income (expense), net		286,873	(417,826)
Gain from equity method investments		10,878	-
Other income, net		734,981	402,333
Loss before income taxes		**(23,103,150)**	**(4,546,831)**
Income tax benefit	11	48,861	-
Net loss		**(23,054,289)**	**(4,546,831)**
Less: net loss attributable to non-controlling interests		(670,641)	(4,264)
Net loss attributable to shareholders		**$ (22,383,648)**	**$ (4,542,567)**
OTHER COMPREHENSIVE LOSS			
Foreign currency translation adjustment		(3,825,086)	207,199
Total comprehensive loss		**(26,879,375)**	**(4,339,632)**
Total comprehensive loss attributable to non-controlling interests		(540,805)	(5,689)
Total comprehensive loss attributable to shareholders		**$ (26,338,570)**	**$ (4,333,943)**

The accompanying notes are an integral part of these condensed consolidated and combined financial statements.

CENNTRO ELECTRIC GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF CHANGES IN EQUITY
(Expressed in U.S. dollar, except for number of shares)

	Ordinary Shares				Accumulated			
	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Loss	Total Shareholder's Equity	Non-controlling Interest	Total Equity
Balance as of December 31, 2020	**174,853,546**	**$ -**	**$ 103,113,793**	**$ (93,314,128)**	**$ (1,904,839)**	**$ 7,894,826**	**$ (28,638)**	**$ 7,866,188**
Share-based compensation	-	-	719,490	-	-	719,490	-	719,490
Exemption of debt due from shareholders	-	-	(560,211)	-	-	(560,211)	-	(560,211)
Net loss	-	-		(4,542,567)	-	(4,542,567)	(4,264)	(4,546,831)
Foreign currency translation adjustment	-	-	-	-	208,624	208,624	(1,425)	207,199
Balance as of June 30, 2021	**174,853,546**	**$ -**	**$ 103,273,072**	**$ (97,856,695)**	**$ (1,696,215)**	**$ 3,720,162**	**$ (34,327)**	**$ 3,685,835**
Balance as of December 31, 2021	**261,256,254**	**$ -**	**$ 374,901,939**	**$ (109,735,935)**	**$ (1,392,699)**	**$ 263,773,305**	**$ -**	**$ 263,773,305**
Share-based compensation	-	-	1,309,856	-	-	1,309,856	-	1,309,856
Contribution from non-controlling shareholders	-	-	-	-	-	-	1,555,320	1,555,320
Net loss	-	-	-	(22,383,648)	-	(22,383,648)	(670,641)	(23,054,289)
Foreign currency translation adjustment	-	-	-	-	(3,954,922)	(3,954,922)	129,836	(3,825,086)
Balance as of June 30, 2022	**261,256,254**	**$ -**	**$ 376,211,795**	**$ (132,119,583)**	**$ (5,347,621)**	**$ 238,744,591**	**$ 1,014,515**	**$ 239,759,106**

The accompanying notes are an integral part of these condensed consolidated and combined financial statements.

CENNTRO ELECTRIC GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS
(Expressed in U.S. dollar, except for number of shares)

	For the Six Months Ended June 30,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash used in operating activities	**$ (29,071,262)**	**$ (6,416,398)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of properties and equipment	(145,857)	(271,835)
Purchase of land use rights and property	(9,260,497)	-
Acquisition of 65% of CAE's equity interests	(3,612,717)	-
Cash acquired from acquisition of CAE	1,118,700	-
Payment of expense for Acquisition of CAE's equity interests	(348,987)	-
Payment of long-term investment payable	-	(906,601)
Proceeds from disposal of land use rights and property, plant and equipment	320	6,210,308
Loans provided to third parties	(5,149,884)	-
Loans provided to related parties	-	(1,530,100)
Repayment of loans from related parties	286,920	2,093,106
Net cash (used in) provided by investing activities	**(17,112,002)**	**5,594,878**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans proceeds from related parties	-	2,364,105
Purchase of CAE’s shareholder loan	(13,228,101)	-
Repayment of loans to related parties	(1,741,868)	(3,283,576)
Reduction of capital investment	(13,930,000)	-
Repayment of loans to third parties	(1,155,829)	(933,212)
Proceeds from bank loans	-	53,619
Payment of expense for the reserve recapitalization	(904,843)	-
Net cash used in financing activities	**(30,960,641)**	**(1,799,064)**
Effect of exchange rate changes on cash	(981,467)	36,693
Net decrease in cash and cash equivalents	(78,125,372)	(2,583,891)
Cash and cash equivalents at beginning of period	261,664,962	4,549,034
Cash and cash equivalents at end of period	**$ 183,539,590**	**$ 1,965,143**
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Income tax paid	$ -	$ -
Interest paid	$ 374,745	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH FLOW INFORMATION:		
Right of use assets obtained in exchange for operating lease obligations	$ 7,613,564	$ 2,374,410
Exemption of debt due from shareholders	$ -	$ 560,211

The accompanying notes are an integral part of these condensed consolidated and combined financial statements.

NOTE 1 – ORGANIZATION AND PRINCIPAL ACTIVITIES

Principal activities

Cenntro Automotive Group Limited ("CAG Cayman"), formerly known as Cenntro Motors Group Limited, was formed in Cayman Islands on August 22, 2014.

Cenntro Automotive Corporation ("CAC"), was incorporated in the state of Delaware on March 22, 2013. CAC became CAG Cayman's wholly owned company on May 26, 2016. CAC and its consolidated subsidiaries are collectively known as "Cenntro".

Cenntro is collectively known as the "Company". The Company designs and manufactures purpose–built, electric commercial vehicles ("ECVs") used primarily in last mile delivery and industrial applications.

Reverse recapitalization

Cenntro Electric Group, Inc. ("CEG") and Cenntro Automotive Group Limited ("CAG HK") are CAC's subsidiaries. On December 30, 2021, the Company consummated a stock purchase transaction (the "Combination") pursuant to that certain stock purchase agreement, dated as of November 5, 2021 (the "Acquisition Agreement") by and among CEGL (at the time, NBG), CAG Cayman, CAC, CEG and CAG HK. The Combination closed on December 30, 2021 (the "Closing"). In connection with the Closing, CEGL changed its name from "Naked Brand Group Limited" to "Cenntro Electric Group Limited".

Promptly following the Closing, CAG Cayman distributed the Acquisition Shares to the holders of its capital stock in accordance with (i) the distribution described in the Acquisition Agreement and (ii) CAG's Third Amended and Restated Memorandum and Articles of Association.

Cenntro was deemed to be the accounting acquirer given Cenntro effectively controlled the consolidated entity after the Combination. Under U.S. generally accepted accounting principles, the Combination is accounted for as a reverse recapitalization, which is equivalent to the issuance of shares by Cenntro for the net monetary assets of CEGL, accompanied by a recapitalization. Cenntro is deemed to be the predecessor for accounting purposes and the historical financial statements of Cenntro became CEGL's historical financial statements, with retrospective adjustments to give effect to the reverse recapitalization. The financial statements for periods prior to the consummation of the reverse recapitalization are the combined financial statements of CAC, CEG and CAG HK and its consolidated subsidiaries. For the periods prior to the reverse recapitalization, no CEGL ordinary shares were outstanding.

(Expressed in U.S. dollar, except for number of shares)

As of June 30, 2022, the Company's subsidiaries are as follows:

Name	Date of Incorporation	Place of incorporation	Percentage of direct or indirect economic interest
Cenntro Automotive Corporation ("CAC")	March 22, 2013	Delaware, U.S.	100%
Cenntro Electric Group, Inc. ("CEG")	March 9, 2020	Delaware, U.S.	100%
Cenntro Automotive Group Limited ("CAG HK")	February 15, 2016	Hong Kong	100%
Cenntro Automotive Europe GmbH ("CAE")	May 21, 2019	Germany	65% owned by CEG
Simachinery Equipment Limited ("Simachinery HK")	June 2, 2011	Hong Kong	100% owned by CAG HK
Zhejiang Cenntro Machinery Co., Limited	January 20, 2021	PRC	100% owned by CAG HK
Zhejiang Tooniu Tech Co., Limited	December 19, 2018	PRC	100% owned by CAG HK
Hangzhou Ronda Tech Co., Limited ("Hangzhou Ronda")	June 5, 2017	PRC	100% owned by CAG HK
Hangzhou Cenntro Autotech Co., Limited ("Cenntro Hangzhou")	May 6, 2016	PRC	100% owned by CAG HK
Zhejiang Sinomachinery Co., Limited ("Sinomachinery Zhejiang")	June 16, 2011	PRC	100% owned by Simachinery HK
Shengzhou Cenntro Machinery Co., Limited ("Cenntro Machinery")	July 12, 2012	PRC	100% owned by Cenntro Hangzhou
Hangzhou Hengzhong Tech Co., Limited	December 16, 2014	PRC	100% owned by Cenntro Hangzhou
Zhejiang Xbean Tech Co., Limited	December 28, 2016	PRC	100% owned by Sinomachinery Zhejiang

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The accompanying consolidated balance sheet as of December 31, 2021, which has been derived from audited financial statements, and the unaudited consolidated financial statements as of June 30, 2022 and for the six months ended June 30, 2022 and the unaudited combined financial statements for the six months ended June 30, 2021 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC").

Certain information and disclosures, which are normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), have been condensed or omitted pursuant to such rules and regulations. Management believes that the disclosures made are adequate to provide a fair presentation. The interim financial information should be read in conjunction with the financial statements and the notes for the fiscal year ended December 31, 2021. The results of operations for the six months ended June 30, 2022 are not necessarily indicative of the results for the full year or any future periods.

The combined financial statements for the six months ended June 30, 2021 include the combined financial statements of CEG, and CAC and the consolidated financial statements of CAG HK and its subsidiaries from the dates they were acquired or incorporated. All intercompany balances and transactions have been eliminated in combination and consolidation.

(Expressed in U.S. dollar, except for number of shares)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(b) Recent Accounting Pronouncements

Except for the accounting standards update ("ASU") issued but not yet adopted as disclosed in Note 2 to the financial statements for the year ended December 31, 2021, there is no ASU issued by the Financial Accounting Standards Board ("FASB") that is expected to have a material impact on the unaudited condensed consolidated financial statements upon adoption.

NOTE 3 – BUSINESS ACQUISITION

On March 5, 2022, the Company entered into a Share and Loan Purchase Agreement (the "Purchase Agreement") with Mosolf SE & Co. KG, a limited liability partnership incorporated under the laws of Germany ("Seller" or "Mosolf" and, together with CEGL and CEG, the "Parties"), pursuant to which Mosolf agreed to sell to the Company (i) 65% of the issued and outstanding shares (the "TME Shares") in Tropos Motors Europe GmbH, a German limited liability company ("TME"), and (ii) 100% of the shareholder loan (the "Shareholder Loan") which Mosolf previously provided to TME (the "TME Transaction"). TME is one of Cenntro's private label channel partners. The Company has no revenue from sale to TME from January 1, 2022 until acquisition date.

The TME Transaction closed on March 25, 2022. At closing of the TME Transaction, the Company paid Mosolf €3.25 million (or approximately USD$3.6 million) for the purchase of the TME Shares and €11.90 million (or approximately USD$13.2 million) for the purchase of the Shareholder Loan, the total consideration of the TME transaction is €3.25 million (or approximately USD$3.6 million), the amount for the purchase of the Shareholder Loan was accounted for as loan to CEG. The payment for the purchase of Shareholder Loan was not a part of consideration transferred. In addition, the consideration paid for the purchase of Shareholder Loan is presented as a financing cash outflow in a manner consistent with how it would present the repayment of the Company's own debt obligation outside of a business combination.

TME changed its name to Cenntro Automotive Europe GmbH (DEU) ("CAE") on March 28, 2022, in connection with the closing of the Combination. This transaction was considered a business acquisition and therefore was recorded using the acquisition method of accounting. The acquired assets and liabilities were recorded at their fair values at the date of acquisition.

The tangible and intangible assets valuation for the acquisition was based on a valuation analysis prepared by the management with the assistance from an independent third-party appraiser. The identifiable intangible assets acquired upon acquisition was the customers relationship, which has an estimated useful life of approximately 5 years. All other current assets and current liabilities carrying value approximated fair value at the time of acquisition. The fair value of the intangible assets identified was determined by adopting the income approach.

The goodwill is attributable to intangible assets that cannot be recognized separately as identifiable assets under GAAP, and comprise of the expected but unidentifiable business growth as a result of the economy of scale, increase in cross-selling opportunities as well as synergy resulting from the acquisition.

In the one-year measurement period since the acquisition date, the Company can obtain the information it needs to identify and measure the consideration transferred, assets acquired, and liabilities assumed, as well as any previously held or noncontrolling interests.

On the acquisition date, the preliminary allocation of the consideration of the assets acquired and liabilities assumed based on their fair value was as follows:

	Amount
Cash and cash equivalents	$ 1,118,700
Inventories (1)	6,144,219
Other current assets	3,209,947
Intangible assets	3,075,800
Goodwill	11,409,990
Other non-current assets	580,748
Total assets	25,539,404
Loan from CEG	(13,072,150)
Deferred tax liabilities	(922,740)
Other liabilities	(6,419,070)
Total liabilities	(20,413,960)
Total net assets	5,125,444
Less: Non-controlling interest	1,555,320
Net assets acquired by the Company	3,570,124

(1) The inventories of $4,484,007 on the acquisition date was purchased from Cenntro during the year ended December 31, 2021 prior to the closing of the Combination. The transaction was based on arm's length principle, recognized as sales revenue

generated from independent third-party customer, and not considered as part of the acquisition transaction.

NOTE 4 – ACCOUNTS RECEIVABLE, NET

Accounts receivable, net is summarized as follows:

	June 30, 2022 (Unaudited)	December 31, 2021
Accounts receivable - current	$ 3,018,271	$ 3,523,543
Less: provision for doubtful accounts	(502,165)	(1,475,983)
Accounts receivable, net - current	2,516,106	2,047,560
Accounts receivable, net - non - current	1,173,268	-
Accounts receivable, net	$ 3,689,374	$ 2,047,560

Movements of the provision for doubtful accounts are as follows:

	For the Six Months Ended June 30,	
	2022 (unaudited)	2021 (unaudited)
Balance at the beginning of the period	$ (1,475,983)	$ (1,121,115)
Additions	-	-
Write off	926,890	1,121,115
Foreign exchange	46,928	-
Balance at the end of the period	$ (502,165)	$ -

NOTE 5 – INVENTORIES

Inventories are summarized as follows:

	June 30, 2022 (unaudited)	December 31, 2021
Raw material	$ 2,397,891	$ 2,055,844
Work-in-progress	3,254,332	1,110,469
Finished goods	15,268,191	4,973,503
Inventories	**$ 20,920,414**	**$ 8,139,816**

For the six months ended June 30, 2022 and 2021, the impairment loss recognized by the Company for slow-moving inventory with cost lower than net realizable value were $598,467 and $513,182, respectively.

(Expressed in U.S. dollar, except for number of shares)

NOTE 6– PREPAYMENT AND OTHER CURRENT ASSETS

Prepayment and other current assets, net as of June 30, 2022 and December 31, 2021 consisted of the following:

	June 30, 2022 (unaudited)	December 31, 2021
Receivable from third parties	$ 565,756	$ 348,773
Advance to suppliers	8,041,824	3,686,708
Deductible input value added tax	1,496,600	1,196,186
Loan to third parties	4,801,167	-
Refund for goods and services tax (“GST”)	-	2,488,528
Others	268,637	269,412
Total	15,173,984	7,989,607

NOTE 7 – EQUITY METHOD INVESTMENTS

	June 30, 2022	December 31, 2021
Hangzhou Hezhe Energy Technology Co., Ltd. ("Hangzhou Hezhe”) (1)	$ 326,082	$ 329,197
Able 2rent GmbH(DEU) (2)	102,353	-
Total	$ 428,435	$ 329,197

(1) On June 23, 2021, the Company invested RMB2,000,000 (approximately $314,030) in Hangzhou Hezhe to acquire 20% of its equity interest. The Company accounts for the investment under the equity method because the Group controls 33% of voting interests in board of directors, and has the ability to exercise significant influence over Hangzhou Hezhe.

(2) On March 22, 2022, CAE invested €100,000 (approximately $109,850) in Able 2rent GmbH (DEU) to acquire 50% of its equity interest. The Company accounts for the investment under the equity method because the Group does not have control over Able 2rent GmbH (DEU).

NOTE 8 – PROPERTIES AND EQUIPMENT, NET

Properties and equipment, net as of June 30, 2022 and December 31, 2021consisted of the following:

	June 30, 2022 (Unaudited)	December 31, 2021
At cost:		
Machinery and equipment	$ 1,974,778	$ 2,068,056
Leasehold improvement	855,824	899,538
Office equipment	1,293,165	818,703
Motor vehicles	588,208	301,079
Plant and building	53,393	-
Total	**4,765,368**	**4,087,376**
Less: accumulated depreciation	(3,220,130)	(2,786,150)
Properties and equipment, net	**$ 1,545,238**	**$ 1,301,226**

Depreciation expenses for the six months ended June 30, 2022 and 2021 were $318,806 and $374,328, respectively.

Impairment loss for the six months ended June 30, 2022 and 2021 were $nil and $6,193, respectively.

(Expressed in U.S. dollar, except for number of shares)

NOTE 9 – OTHER NON-CURRENT ASSETS, NET

	June 30, 2022 (Unaudited)	December 31, 2021
Deposit	$ 570,789	$ 564,007
Long-term prepayment(a)	10,527,630	1,587,693
Receivable from a third party(b)	2,239,441	2,353,827
Total	**13,337,860**	4,505,527
Less: provision for receivable from a third party (b)	(2,239,441)	(2,353,827)
Other non-current assets, net	$ **11,098,419**	$ 2,151,700

(a) In 2022, the Company signed an agreement with Zhejiang HPWINNER Scientific Company Limited and prepaid $8,957,764 (RMB 60,000,000) to acquire its factory and machinery for the expansion of the Company's productive capacity.

(b) In 2018, the Company signed an agreement with Anhua Automotive Co. Ltd., ("Anhua") and paid initial a non-refundable deposit to participate in Anhua's bankruptcy recombination process to develop further production capacity in China. However, due to the irrecoverable deterioration of Anhua's operation business and the Company's shifted focus to Europe and America markets, further participation in the recombination was ceased. Therefore, the Company recorded full provision of the deposit for the year ended December 31, 2019. The difference between the provision for receivable from a third party as of December 31, 2021 and June 30, 2022 was due to changes in the exchange rate between USD and RMB.

NOTE 10 – ACCRUED EXPENSE AND OTHER CURRENT LIABILITIES

Accrued expense and other current liabilities are summarized as follow:

	June 30, 2022 (Unaudited)	December 31, 2021
Accrued professional fee	2,760,242	2,429,843
Employee payroll and welfare payable	673,898	561,469
Loans from third parties (a)	-	419,642
Other tax payable	-	48,672
Credit card payable	-	510,151
Others	738,724	213,486
Total	**$ 4,172,864**	**$ 4,183,263**

(a) Loans from third parties represented combined aggregate interest-bearing loans of $nil and $419,642 as of June 30, 2022 and December 31, 2021, respectively, with the weighted average annual interest rate of nil and 11.17%, respectively.

The Company is not subject to any material financial or restrictive covenants under the loan agreements with third parties. Each of these loans are unsecured obligations of the Company and rank equally with each other, and any future unsecured and unsubordinated indebtedness.

NOTE 11 – INCOME TAXES

Australia

CEGL is subject to a tax rate of 30%.

Germany

CAE is subject to a tax rate of 30%.

United States

CAC, CEG and NBGI are subject to a federal tax rate of 21%.

Hong Kong

In accordance with the relevant tax laws and regulations of Hong Kong, a company registered in Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. Effective from April 1, 2018, a two-tier corporate income tax system was officially implemented in Hong Kong, which is 8.25% for the first HK$2.0 million profits, and 16.5% for the subsequent profits. Under the HK tax laws, Hong Kong registered companies are exempt from Hong Kong income tax on its foreign-derived income. The Company's subsidiaries, CAG HK and Sinomachinery HK, are registered in Hong Kong as intermediate holding companies, subject to an income tax rate of 16.5% for taxable income earned in Hong Kong. Payments of dividends from Hong Kong subsidiaries to CEGL are not subject to any Hong Kong withholding tax.

PRC

Pursuant to the tax laws and regulations of the PRC, the Company's applicable enterprise income tax ("EIT") rate is 25%.

Income tax benefit, for the six months ended June 30, 2022 and 2021 was $48,861 and nil, respectively.

(Expressed in U.S. dollar, except for number of shares)

NOTE 12 – LEASES

The Company leases office spaces under non-cancellable operating leases. The Company considers those renewal or termination options that are reasonably certain to be exercised in the determination of the lease term and initial measurement of right of use assets and lease liabilities. Lease expense for lease payment is recognized on a straight-line basis over the lease term. Leases with initial term of 12 months or less are not recorded on the balance sheets.

The Company determines whether a contract is or contains a lease at inception of the contract and whether that lease meets the classification criteria of a finance or operating lease.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

A summary of lease cost recognized in the Company's condensed consolidated and combined statements of operations and comprehensive loss is as follows:

	For the Six Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Operating leases cost excluding short-term rental expense	$ 740,871	$ 273,131
Short-term lease cost	38,277	2,764
Total	**$ 779,148**	**$ 275,895**

(Expressed in U.S. dollar, except for number of shares)

NOTE 12 – LEASES - CONTINUED

A summary of supplemental information related to operating leases is as follows:

	For the Six Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Cash paid for amounts included in the measurement of lease liabilities	$ 552,812	$ 613,282
Weighted average remaining lease term	8.87 years	4.89 years
Weighted average discount rate	2.87%	4.75%

The Company's lease agreements do not have a discount rate that is readily determinable. The incremental borrowing rate is determined at lease commencement or lease modification and represents the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. The weighted-average discount rate was calculated using the discount rate for the lease that was used to calculate the lease liability balance for each lease and the remaining balance of the lease payments for each lease as of June 30, 2022.

The weighted-average remaining lease terms were calculated using the remaining lease term and the lease liability balance for each lease as of June 30, 2022.

The following table summarizes the maturity of lease liabilities under operating leases as of June 30, 2022:

	Operating Leases
Six months ending December 31, 2022	$ 712,746
Years ended December 31,	
2023	1,446,782
2024	848,689
2025	759,227
2026	789,597
2027 and thereafter	5,189,668
Total lease payments	**9,746,709**
Less: imputed interest	1,241,421
Total	**8,505,288**
Less: current portion	1,426,428
Non-current portion	$ 7,078,860

NOTE 13 – SHARE-BASED COMPENSATION

Share based compensation expenses for periods prior to the Corporate Reorganization relate to the share options granted by CAG Cayman to the employees and directors of the Company. For the six months ended 2022 and 2021, total share-based compensation expenses allocated from CAG Cayman were $1,309,856 and $710,490, respectively.

Share options granted by CAG Cayman to employees of the Company

On February 10, 2016, CAG Cayman adopted the 2016 Share Incentive Plan (the "2016 Plan", which allows CAG Cayman to grant options to the employees and directors of the Company to purchase up to 14,139,360 ordinary shares of CAG Cayman subject to vesting requirements. On April 17, 2018, CAG Cayman expanded the share reserve under the 2016 Plan, increasing the number of ordinary shares available for issuance under the 2016 Plan by an additional 10,484,797 ordinary shares to total 24,624,157 ordinary shares. Generally, the options become exercisable during the term of the optionee's service in five equal annual instalments of 20% each. The expiration dates of the options are between six and eight years from the respective grant dates as stated in the option grant letters.

On March 7 and May 31, 2016, CAG Cayman granted 12,169,840 options and 650,000 options to the employees and directors of the Company to purchase CAG Cayman's ordinary shares at exercise prices ranging from $0.2000 to $1.2092 per share. The options have a contractual term ranging from six years to eight years.

On August 1 and December 31, 2017, CAG Cayman granted 6,300,000 options and 2,580,000 to the employees and directors of the Company to purchase CAG Cayman's ordinary shares at exercise prices ranging from $1.6500 to $1.8792 per share. The options have a contractual term of eight years.

(Expressed in U.S. dollar, except for number of shares)

NOTE 13 – SHARE-BASED COMPENSATION - CONTINUED

In connection with the Combination, CAG Cayman amended and restated the 2016 Plan, adopting the Amended 2016 Plan. In connection with the closing of the Combination, each employee stock option outstanding under the Amended 2016 Plan immediately prior to the Closing was converted into an option to purchase a number of ordinary shares equal to the aggregate number of shares for which such stock option was exercisable immediately prior to the Closing multiplied by the Exchange Ratio, which is 0.71563. As a result, the 12,891,130 options granted by CAG Cayman prior to the Closing under the 2016 Plan were converted into 9,225,271 options of CEGL. The exercise price of such options modified to equal the exercise price per share of such stock option immediately prior to the Closing divided by the Exchange Ratio.

The conversion of the incentive stock options of CAG Cayman under the Amended 2016 Plan into incentive stock options of CEGL was deemed a modification at Closing, which is the modification date. There were, no incremental fair value immediately before and after the modification date.

Share options granted by CEGL to employees of the Company

On May 3, 2022, CEGL adopted the 2022 Share Incentive Plan (the “2022 Plan”), which allowed CEGL to grant options to the employees and directors of the Company to purchase up to 25,965,234 ordinary shares of CEGL subject to vesting requirement.

On May 3, 2022, CEGL granted 12,797,063 options to the directors of the Company to purchase CEGL’s ordinary shares at exercise prices ranging from $1.680 to $1.848 per share. Among them, 297,615 options have a contractual term of five years, 12,499,448 options have a contractual term of ten years.

The weighted-average fair value of option per share grant on May 3, 2022 was $1.42. The aggregate grant date fair value of the options grant was $18,217,956.

A summary of share options activity for the six months ended June 30, 2022:

	Number of Share Options	Weighted Average Exercise Price US$	Weighted Average Remaining Contractual Years	Aggregate Intrinsic Value US$
Outstanding as of December 31, 2021	**9,225,271**	**1.10**	**2.60**	**42,799,081**
Granted	**12,797,063**	**1.68**		
Exercised	-	-		
Forfeited	-	-		
Expired	-	-		
Outstanding as of June 30, 2022 (unaudited)	22,022,334	**1.44**	**6.54**	**6,182,920**
Expected to vest as of June 30, 2022 (unaudited)	**12,294,472**	**1.73**	**9.54**	**-**
Exercisable as of June 30, 2022 (unaudited)	**9,727,862**	**1.07**	**2.74**	**6,182,920**

No option was exercised during the six months ended June 30, 2022 and 2021.

No income tax benefit was recognized in the condensed consolidated and combined statements of comprehensive loss as the share-based compensation expense was not tax deductible.

(Expressed in U.S. dollar, except for number of shares)

NOTE 13 – SHARE-BASED COMPENSATION - CONTINUED

The Company calculated the fair value of the share options on the grant date and modification date using the Black-Scholes option-pricing valuation model. The assumptions used in the valuation model are summarized in the following table.

	Six months ended June 30, 2022	2021
Expected volatility	83.96%-86.28%	-
Expected dividends yield	0%	-
Risk-free interest rate per annum	2.97%-3.01%	-
The fair value of underlying ordinary shares (per share)	US$1.68	-

As of June 30, 2022, there was approximately $18,263,260 of total unrecognized compensation cost related to unvested share options and the unrecognized compensation costs are expected to be recognized over a weighted average period of approximately 3.59 years.

NOTE 14 – CONCENTRATIONS

(a) Customers

The following table sets forth information as to each customer that accounted for 10% or more of total revenue for the six months ended June 30, 2022 and 2021.

	Six months ended June 30,			
	2022		2021	
Customer	Amount	% of Total	Amount	% of Total
	(Unaudited)		(Unaudited)	
A	$ 807,952	16%	$ -	-
B	728,109	14%	*	-
C	684,643	14%	-	-
D	539,786	11%	-	-
E	*	-	1,347,874	55%
F	*	-	516,357	21%
G	*	-	294,000	12%
Total	**$ 2,760,490**	**55%**	**$ 2,158,231**	**88%**

* represented the percentage below 10%

The following table sets forth information as to each customer that accounted for 10% or more of total accounts receivable as of June 30, 2022 and December 31, 2021.

	As of June 30, 2022		As of December 31, 2021	
Customer	Amount	% of Total	Amount	% of Total
	(Unaudited)			
B	467,776	11%	-	-
C	610,042	15%	-	-
D	466,114	11%	-	-
E	-	-	$ 2,084,879	59%
G	1,173,268	28%	-	-
H	-	-	864,106	25%
Total	**$ 2,717,200**	**64%**	**$ 2,948,985**	**84%**

(Expressed in U.S. dollar, except for number of shares)

NOTE 14 – CONCENTRATIONS - CONTINUED

(b) Suppliers

For the six months ended June 30, 2022 and 2021, the Company's material suppliers, each of whom accounted for more than 10% of the Company's total purchases, were as follows:

	Six months ended June 30,			
	2022		2021	
Supplier	**Amount**	**% of Total**	**Amount**	**% of Total**
	(unaudited)		(unaudited)	
A	$ 4,030,226	45%	$ -	-
B	-	-	128,658	13%
C	*	-	120,026	12%
Total	$ 4,030,226	45%	**$ 248,684**	**25%**

NOTE 15 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company may be involved in various legal proceedings, claims and other disputes arising from the commercial operations, projects, employees and other matters which, in general, are subject to uncertainties and in which the outcomes are not predictable. The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. Although the outcomes of these legal proceedings cannot be predicted, the Company does not believe these actions, in the aggregate, will have a material adverse impact on its financial position, results of operations or liquidity. As of June 30, 2022, the Company has following contract disputes.

In October 2021, Sevic Systems SE ("Sevic"), a former channel partner, commenced a lawsuit against Shengzhou Machinery, one of CEGL's wholly owned subsidiaries, relating to a breach of contract for the sale of goods (the "Sevic Lawsuit"). Sevic filed its complaint with the People's Court of Keqiao District, Shaoxing City, Light Textile City (the "People's Court"). In the Sevic Lawsuit, Sevic alleges that the Shengzhou Machinery provided it with certain unmarketable goods and requests that the People's Court (i) terminate two signed purchase orders under its contract with Shengzhou Machinery and (ii) award Sevic money damages for the cost of goods of $465,400, as well as interest and incidental losses, including freight and storage costs, for total damages of approximately $628,109. Sevic applied to the People's Court to freeze certain assets of Shengzhou Machinery, which request was granted, resulting in the Company having restricted cash of $443,573 on its balance sheet as of June 30,2022. The Company does not believe that Sevic's claims and intends to vigorously defend against such claims.

In June 2022, Sevic Systems SE ("Sevic") filed for injunctive relief in a corporate court in Brussels, Belgium, alleging Cenntro Automotive Europe GmbH's ("CAE"; formerly Tropos Motors Europe GmbH or TME) infringement of Sevic's intellectual property ("IP") rights. The injunctive action was also directed against LEIE Center SRL ("LEIE") and CEDAR Europe GmbH ("CEDAR"), two distribution partners of CAE. There, Sevic claims it acquired all IP rights to an electric vehicle, the so-called CITELEC model ("CITELEC"), fully and exclusively from the French company SH2M Sarl ("SH2M") under Mr. Pierre Millet. Sevic claims these rights were acquired under a 2019 IP transfer agreement. According to Sevic, the METRO model ("METRO") produced by Cenntro Electro Group Ltd. ("Cenntro") and distributed by CAE derives directly from the CITELEC. The distribution of the METRO, therefore, allegedly infringes on Sevic's IP rights. In its action, Sevic relies on (Belgian) copyright law and unfair business practices. The Company does not believe that the court has jurisdiction to hear Sevic's claims and intends to vigorously defend against such claims.

On July 22, 2022, Xiongjian Chen filed a complaint against CEGL, CAG Cayman, Cenntro Enterprise Limited ("CEL") and Mr. Peter Wang in the United States District Court of the District of New Jersey. The complaint alleges various causes of action against CEGL regarding stock options issued to Mr. Chen, arising out of an employment agreement between Mr. Chen and CAG and a letter agreement between Mr. Chen and CEL, including negligent misrepresentation, unjust enrichment, and conversion. The complaint asks for, among other things, money damages (including compensatory and consequential damages) of $19 million, interest and attorneys' fees and expenses. The Company does not believe the Mr.Chen's claim has merit and is in the process of preparation to vigorously defend against such claims.

NOTE 16 – RELATED PARTY TRANSACTIONS

The table below sets forth the major related parties and their relationships with the Company:

Name of related parties:	Relationship with the Company
Mr. Yeung Heung Yeung	A director and board member of CEG, and principal shareholder of CAG Cayman
Mr. Zhong Wei	Chief Technology Officer of CAG Cayman
CAG Cayman	Mr. Peter Wang is a principal shareholder
Hangzhou Hezhe Energy Technology Co., Ltd	Investee accounted for under equity method of accounting
Devirra Corporation Limited and its subsidiaries (Collectively referred to the “Devirra Group”)	Entities controlled by CAG Cayman
Zhejiang Zhongchai Machinery Co., Ltd (“Zhejiang Zhongchai”)	Ultimately controlled by Mr. Peter Wang
Zhejiang RAP	An entity significantly influenced by Hangzhou Ronda Tech Co., Limited
Jiangsu Rongyuan	An entity significantly influenced by Hangzhou Ronda Tech Co., Limited
Bendon Limited	Controlled by Mr. Justin Davis-Rice, a director of CEGL
Shenzhen Yuanzheng Investment Development Co. Ltd (“Shenzhen Yuanzheng”)	Controlled by Mr. Yeung Heung Yeung
Shanghai Hengyu Enterprise Management Consulting Co., Ltd (“Shanghai Hengyu”)	Ultimately controlled by Mr. Peter Wang
Mr. Justin Davis-Rice	NBG’s prior Executive Chairman and Chief Executive Officer
JADR consulting	Mr. Justin Davis-Rice’s affiliate entity

(Expressed in U.S. dollar, except for number of shares)

NOTE 16 – RELATED PARTY TRANSACTIONS - CONTINUED

Related party transactions

During the six months ended June 30, 2022 and 2021, the Company had the following material related party transactions

	For the Six Months Ended June 30,	
	2022	2021
	(Unaudited)	(Unaudited)
Accrued compensation fee		
JADR consulting	$ 4,300,000	$ -
Mr. Justin Davis-Rice	550,000	-
Interest income from a related party		
Zhejiang RAP	6,976	15,993
Bendon Limited	58,260	-
Purchase of raw materials from related parties		
Hangzhou Hezhe Energy Technology Co., Ltd	1,254,934	-
Interest expense on loans provided by related parties		
Mr. Yeung Heung Yeung	2,532	65,096
Mr. Zhong Wei	-	6,018
Shenzhen Yuanzheng	1,116	-
Service provided by a related party		
Shanghai Hengyu	5,248	-
Zhejiang Zhongchai	4,322	-
Capital injection to a related party		
Zhejiang RAP	-	906,601
Rental income from a related party		
Devirra Group	-	122,196

Amounts due from Related Parties – current

The following table presents amounts due from related parties as of June 30, 2022 and December 31, 2021.

	June 30, 2022	December 31, 2021
	(Unaudited)	
Hangzhou Hezhe(1)	582,561	817,640
Zhejiang Zhongchai (2)	-	412,797
Shanghai Hengyu	-	2,197
Jiangsu Rongyuan(3)	158,800	166,911
Total	582,561	1,399,545
Less: provision for receivable from a related party (3)	(158,800)	(166,911)
Amounts due from related parties, net	$ 582,561	$ 1,232,634

(1) The balance mainly represents the prepayment for raw material to the related party.

(2) The balances mainly represent accounts receivable relating to the sale of industrial equipment of $340,770 and advances to Zhejiang Zhongchai for daily operational purposes of $72,027 as of December 31, 2021.

(3) The balances mainly represent advances to related parties for daily operational purposes. For the year ended December 31, 2020, the Company wrote off the balance of provision that it recognized in 2019. The Company reversed the provision of $78,931 for the year ended December 31, 2021 due to the repayment from the related party. The difference between the provision for receivable from a related party as of June30, 2022 and December 31, 2021was due to the change of the exchange rate between USD and RMB.

(Expressed in U.S. dollar, except for number of shares)

NOTE 16 – RELATED PARTY TRANSACTIONS - CONTINUED

Amount due from Related Parties – non-current

	June 30, 2022 (Unaudited)	December 31, 2021
Bendon Limited (1)	$ 4,471,660	$ 4,834,973
Total	4,471,660	4,834,973

(1) The balance represents a 5-year loan principal and interest due from the related party with the interest of 2.5% annually which matures in August 2026.

Amounts due to Related Parties

The following table presents amounts due to related parties as of December 31, 2021 and 2020.

	June 30, 2022 (Unaudited)	December 31, 2021
JADR consulting (1)	$ 4,300,000	$ -
Mr. Justin Davis-Rice (2)	550,000	-
Zhejiang RAP (3)	31,340	40,034
Jiangsu Rongyuan (4)	23,883	25,103
Shanghai Hengyu (5)	2,986	-
CAG Cayman (6)	-	13,945,823
Mr. Yeung Heung Yeung (7)	-	1,328,559
Shenzhen Yuanzheng (7)	-	416,509
Total	$ 4,908,209	$ 15,756,028

(1) This balance represented accrued compensation fee payable of $4,300,000 to JADR consulting, Mr. Justin Davis-Rice's affiliate entity, as compensation for its service rendered to the Company, which was subsequently paid in July 2022.

(2) This balance represented accrued compensation fee payable of $550,000 to Mr. Justin Davis-Rice, NBG's prior Executive Chairman and Chief Executive Officer, as compensation for his service rendered to the Company, which was subsequently paid in July 2022.

(3) As of June 30, 2022, the balances represented the net balance of equity investment payable of $355,474 and interest-bearing loan and interest receivable from Zhejiang RAP of $324,134, which is due on demand.

(4) The balance represented the payable for purchase of raw material from this related party.

(5) The balance represented the payable for consulting service provided by this related party.

(6) CAG Cayman was the parent company of Cenntro before the closing of the reverse recapitalization. The balance as of December 31, 2021 represented the operating fund from related party with no interest of $15,823 and the reduction of capital investment of $13,930,000 before the reverse recapitalization.

(7) The balance represented the interest-bearing loan provided by related parties to the Company. The weighted average annual interest rates for the loans were 12% as of December 31, 2021.

NOTE 17 – SUBSEQUENT EVENT

CEGL has performed an evaluation of subsequent events through the date of the unaudited consolidated financial statements were issued on September 13, 2022 and determined that, except for the disclosure made in Note 15, no events would have required adjustment or disclosure in the consolidated financial statements.

Exhibit 99.3

Cenntro Electric Group Announces
First Half 2022 Unaudited Financial Results
1H22 net revenue increased by 105% year on year;
1H22 number of vehicles sold increased 23% year on year
Management to Host Conference Call on Tuesday, September 13 at 5:30 p.m. ET

FREEHOLD, N.J. - September 13, 2022 - Cenntro Electric Group Limited (NASDAQ: CENN) ("Cenntro" or "the Company"), a leading EV technology company with advanced, market- validated electric commercial vehicles ("ECVs"), today announced its financial results for the first half year ended June 30, 2022.

First Half 2022 Operational and Financial Highlights

- **The number of commercial vehicles sold** was 337 units, an increase of 23% from 273 units sold in the same period of 2021.
- **Net revenue** was $5.0 million, an increase of 105% from $2.5 million in the same period of 2021.
- **Cash and cash equivalents** were $183.0 million as of June 30, 2022, compared with $2.0 million as of June 30, 2021.

"During the first half of 2022, we continued to execute on our strategic initiatives and grow our topline despite a challenging macroeconomic environment. Sales volume of our electric commercial vehicles reached 337 units, representing an increase of 23% year-over-year. Out of that, we sold 132 units of our newly launched Logistar 200 (the "LS 200") model, which doubled our average selling price. This demonstrates our capabilities for executing our tiered product strategy while addressing various customer demands amidst global uncertainty," said Peter Wang, Chief Executive Officer.

Mr. Wang continued, "We also made progress across multiple fronts during the first half of 2022. First, we introduced three new EV products, the Logistar 100 (the "LS 100"), Logistar 260 (the "LS 260") for the European market and Logistar 400 (the "LS 400") for the North American market. We have already begun receiving pre-orders for these new products. These new vehicles come with higher price points and will continue to improve our product mix. Second, we made the strategic decision to bring advanced battery technology and production in-house, which will strengthen our supply chain. Third, we started new vehicle assembly in the U.S. and Europe as well as began building out our EV distribution and services infrastructure. These initiatives set a strong foundation to accelerate our growth. Going forward, we believe our expanded product lineup and leading technology will position us well to capture tremendous growth opportunities in the transformation of the global commercial fleet industry to zero-emission vehicles."

Edmond Cheng, Chief Financial Officer added, "Increased vehicle sales and improved product mix helped us achieve 105% year-over-year revenue growth for the first six months of 2022. These results reflect our continuous investment in product development and partnership with the right OEMs to enhance our product offerings to meet market demand. We have also stepped up our investment in sales and marketing, infrastructure, and research & development to support our growth objectives. However, in light of the uncertain macroeconomic environment, we will remain cautious in managing our expenditures and working capital in order to preserve strong balance sheet."

Recent Developments & First Half 2022 Business Highlights

- **New Vehicle Development: EPA certification for LS 400 is expected by end of September 2022 while its pilot production has started; LS 100 rolled off from production lines and received EU Type Approval; LS 260 received EU type approval and production has commenced.**

  The LS 400 is designed primarily for urban delivery and services to cover two significant markets that include last mile delivery and vocational fleets and upfitters. The Company has showcased the LS 400 series at various key industry events and exhibitions that have led to significant interest.

  Cenntro's first LS 100 rolled off the production line with deliveries to Europe scheduled in the mid September with launches in the Asian, Caribbean, and South American markets to follow. The LS 100 is a versatile, compact light cargo van purpose-built to serve diverse commercial applications, especially in urban areas with high population density.

  The LS 260 is a new addition to the Logistar series. This new vehicle will be targeted toward a wide range of applications in the trades, couriers, express and parcel services, logistics solutions, and facility management segments, with initial deliveries to Europe scheduled in September.

  The Company has opened the order books for LS100, LS 260 and LS 400 models.

- **Launch of Lithium Battery Project: The construction of battery factory building was completed, and internal renovation has been progressing; Proprietary production machinery has already been tested and validated; Filing for three patents.**

  Given the backdrop of increased battery costs and global supply chain challenges, Cenntro set up a unit, Cennatic Power Inc., to produce advanced lithium-ion batteries for its ECVs to secure and stabilize its battery supply. Bringing production of essential battery technologies and manufacturing process in-house will enable the Company to expedite the development of ECVs, reduce supply chain dependency on China, and lower battery cell costs.

- **Launch of Vehicle Assembly in U.S. and Europe: The European assembly factory in Germany is fully functional; Pilot assembly scaled in the New Jersey facility; Florida assembly capability will be ready soon.**

The additional vehicle assembly in the U.S. and Europe will boost the Company's total manufacturing or assembly plants to five. Assembly strategy and capacity is on track to serve growing demands for its ECVs.

- **Building Vehicle Distribution and Service Infrastructure: Establishing EV centers with focus on the U.S. and European markets; Developing and setting up parts distribution warehouses; Signing up distributors/dealers/value-added resellers.**

  Cenntro is also establishing EV centers across the U.S., Poland, Germany, Spain, Morocco and Jamaica to align with its go-to-market strategy for new growth.

  Cenntro has initiated the transition from private label distribution to a direct B2B marketing and sales team in North America. The Company will assemble its Metro product in-house and market Metro directly to its distributors in the U.S. Cenntro has ended its channel distribution partnerships in the U.S. and will now have full control over the production and sales in order to assure product quality, reduce the overhead and boost brand awareness.

First Half 2022 Financial Results

Net Revenues

Net revenue was $5.0 million in the first half of 2022, an increase of 105% from $2.5 million in the first half of 2021. The increase was due to both a 23% growth in sales volume as well as an improvement of the average selling price ("ASP") from $7,354 in primarily selling Metro Car Kits last year to $14,400 in the improved product mix to include 132 units of LS 200 at a much higher ASP.

Gross profit

Gross profit was $0.53 million in the first half of 2022, an increase of 18% from $0.45 million in the first half of 2021. Gross margin was 10.6% in the first half of 2022, compared with 18.3% in the first half of 2021. The change in gross margin was primarily due to both the inflation pressure on input costs such as battery and the shipping costs, especially as shipping costs of a 40-foot container to Hamburg or New York have risen to a high of $20,000 for the first half of 2022 from the average of $2,000 for the same period last year. Recently in August, the average cost of shipping the same 40-foot container has come down to $5,000.

Operating expenses

Total operating expenses were $24.7 million in the first half of 2022, compared with $5.0 million in the first half of 2021. The increase was primarily driven by headcount growth and higher legal and compliance costs to support our growth as a public company. In addition, in the first half of 2022, we also incurred non-recurring fees and expenses of approximately $6.5 million related the compensation to certain directors for their past services to the Company and a non-recurring expense of approximately $1.8 million for compensation in 2022 related to FOH divestiture. Excluding these one-time costs, our operating expenses in the first half of 2022 would have been $16.4 million.

Net income (loss)

Net loss was $23.1 million in the first half of 2022, compared with net loss of $4.5 million in the first half of 2021.

Adjusted EBITDA[1]

Adjusted EBITDA was negative $12.9 million in the first half of 2022, compared with Adjusted EBITDA of negative $3.0 million in the first half of 2021.

Cash and cash equivalents balances

Cash and cash equivalents were $183.0 million as of June 30, 2022, compared with $2.0 million as of June 30, 2021.

First Half 2022 Results Conference Call

Cenntro Electric Group CEO Peter Wang, and CFO Edmond Cheng will host a conference call followed by a question-and-answer session on Tuesday, September 13, 2022 at 5:30 p.m. Eastern time to discuss its financial results for the six-month period ended June 30, 2022.

Please register in advance of the conference call using the link provided below. Conference access information will be provided upon registration. Participant Online Registration: https://s1.c-conf.com/diamondpass/10025106-fmsn3a1.html

The conference call will be broadcast live and available for replay at https://edge.media- server.com/mmc/p/qrrriixa and via the investor relations section of the Company's website at ir.cenntroauto.com. A replay of the conference call will be available after 9:30 p.m. Eastern time through September 21, 2022.

US/Canada	+1 855-883-1031
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[1] Represents a non-GAAP financial measure. For additional information about non-GAAP measures, including, where applicable, reconciliations to the most directly comparable financial measures presented in accordance with U.S. GAAP, please see “Non-GAAP Measures” below.

Replay PIN 10025106

About Cenntro Electric Group Ltd.

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.

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 Securities and Exchange Commission (the "SEC"), including the "Risk Factors" in Cenntro's Annual Report on Form 20-F filed with the SEC on April 25, 2022 and which may be viewed at www.sec.gov.

For Cenntro's financial statements, please refer to the Company's current report on Form 6-K filed with the SEC on September 13, 2022.

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