

Beijing/Aachen, September 6, 2019

StreetScooter to enter Chinese market

- **Deutsche Post subsidiary StreetScooter and automobile manufacturer Chery Holding Group sign Memorandum of Understanding (MoU) to begin local production, sourcing and development of last-mile electric light commercial vehicles (eLCV) specially tailored to the Chinese market and potentially selected other countries**
- **The MoU is part of an economic agreement reached during German Chancellor Angela Merkel's trip to China**
- **China and ASEAN region of major strategic significance for StreetScooter, offering opportunities for high volumes, in-country value creation and technological collaboration**
- **Perspective total investment up to 500 million Euro amount**
- **Mass production planned for 2021 with production capacities of up to 100,000 electric vehicles per annum**

StreetScooter GmbH, a subsidiary of Deutsche Post and market leader for electric light commercial vehicles (eLCV), has signed a memorandum of understanding (MoU) with the Chinese automobile manufacturer Chery Holding Group (Chery). The agreement establishing a joint venture between the two companies was reached during German Chancellor Angela Merkel's trip to China. Chery is one of China's leading automobile manufacturers, with a 20% market share in electric commercial vehicles sector. Chery is expanding its scope of mobility within the high promising segment of light cargo electric vehicles and micro e-mobility solution.

The memorandum was signed by StreetScooter CEO Jörg Sommer and Chairman of the Board of Chery Holdings Co., Ltd., Yin Tongyue, in the presence of the heads of both the German and Chinese governments in the Great Hall of the People in Beijing.

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The two companies plan to develop an electric light utility vehicle for the international market in selected countries. The project will include local manufacturing and sourcing as well as nationwide sales and service. As outlined in the memorandum, the entry of electric light commercial vehicles into the Chinese market will be gradual. Mass production is scheduled to begin in 2021 with production capacities of up to 100,000 electric vehicles per year.

The market entry of StreetScooter in China continues the internationalization of the company after the strategic cooperation with the Japanese logistics company Yamato.

“This production and sales agreement is a major milestone in our company’s, as yet, short history,” said Jörg Sommer, CEO of StreetScooter GmbH. “We’re thrilled about the upcoming collaboration with our partner Chery and this opportunity to open up the world’s largest market for electric light commercial vehicles, introduce our energy, logistics and fleet solutions and create a local source of value creation. StreetScooter now has a commercial presence in Japan and China, the two most important national economies in Asia.”

Yin Tongyue, Chairman of Chery Holding Group outlines the strategic importance: “The strong cooperation between Chery and StreetScooter will create opportunities for both parties to explore the global market, especially in the EU and China. It will also help Chery to further accelerate the development of innovative solutions based on new energy and smart interconnection and therefore surpass traditional fuel vehicles. Chery will actively integrate the global unique resources and know-how through open cooperation and customer centric unique-selling-propositions and offerings.”

The joint venture also aims to establish a location for research and development in China, focusing on developing eLCV components, technology, vehicle architecture and design, autonomous logistics and energy solutions.

The Chinese market for light commercial vehicles is expected to reach 2.3 million trucks by 2025, over 900,000 of which are forecast to be electric. Such rapid growth will make China the largest market in the world for electric vehicles of this kind, followed by Europe and the USA. Market growth is being driven by numerous factors: Urbanization, rising transport volumes in downtown delivery traffic (last mile), related municipal rules and regulations on vehicle emissions, and new mobility, logistics and energy solutions. Major sales potential for

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the soon-to-be jointly produced electric vehicles will be offered by a regionally tailored and homologated version of the StreetScooter products and services. The new joint venture intends to target major fleet operators in the areas of last-mile delivery and e-commerce as potential customers.

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About StreetScooter GmbH: StreetScooter is a global innovation leader/ first mover in the field of electrically powered commercial vehicles based in Germany and was fully acquired by Deutsche Post DHL Group in 2014. The company is currently the market leader with more than 12,000 vehicles in daily use and has a track record of over 100 million kilometers driven and 36,000 tons of CO2 savings. StreetScooter has also electrified more than 700 depots and installed more than 11,000 charging points for small and large fleet operators. The company is transforming itself from an electric vehicle manufacturer into one of the leading global energy and logistics platforms for the last mile.

About Chery Holding Co., Ltd.: Chery Holding Co., Ltd. was established in 2010, a group company based on the automotive industry, with co-development of the auto parts production and R&D, financial investment, service trade, ship, traveling & real estate. Chery has sold almost 8 million passenger vehicles. At the same time, Chery has exported more than 1.5 million units, ranking No. 1 in exporting Chinese passenger vehicles for 16 consecutive years.