

Arrival announces High Voltage Battery Module assembly plant in Charlotte, N.C.

- Facility will be a key piece of Arrival's product launches and the transition to zero emission electric vehicles
- Arrival's HVBM facility will service the company's Microfactories in Rock Hill, S.C and Charlotte, N.C producing electric Buses and Vans respectively

6th December 2021, Charlotte, N.C.

Arrival (NASDAQ: ARVL), on a mission to make air clean by replacing all vehicles with affordable electric solutions produced by local Microfactories, announced today that it is establishing a High Voltage Battery Module (HVBM) assembly plant on Charlotte's west side, adding 150 jobs and investing approximately \$11.5 million. This will be Arrival's third facility in Charlotte, including its North American headquarters in South End and its Van Microfactory also on the west side.

Arrival assembles its own proprietary battery modules that can be used in all of its platforms, enabling the customer to configure their battery requirements according to their specific needs. The in-house design fits within Arrival's plug-and-play hardware and software architecture that allows for scalability, upgradability and ease of repairs and maintenance. Arrival's proprietary software runs across all of its in-house components, diagnosing potential issues and optimizing the customer experience, improving the total cost of operations. Operators are able to replace just one module instead of a whole pack, saving both costs and downtime.

The modules manufactured in Charlotte will be used in the Arrival Bus and Van being produced at nearby Microfactories. Earlier this week, Arrival also [announced](#) a collaboration agreement with Li-Cycle, a leading lithium-ion battery recycler in North America, to create a closed-loop EV battery supply chain in the U.S. and Europe. Arrival believes its vehicles will be truly sustainable - and this local HVBM facility will be a key piece of Arrival's broader sustainability strategy - being situated locally and creating easily upgradable components that can prolong the life of the vehicle. The wider strategy also includes a zero-waste production goal and the use of recyclable composite materials for the vehicle body that are more durable than steel and don't require painting.

“By bringing the assembly of our proprietary High Voltage Battery Modules in house, we’re striving to be as vertically integrated as possible. This will enable us to have even greater control over the functionality and cost of our products and pass those cost savings on to the customer while also working toward our goal of zero waste production,” said Mike Ableson, CEO of Arrival Automotive. “We’re excited to add another facility in Charlotte, as we prepare to open our new North American Headquarters building just down the road and continue to work in tandem with the City to develop solutions for their electrification and sustainability goals. This is a big milestone for Arrival as we ramp up operations in the region in advance of production starting in Rock Hill in Q2 next year.”

“North Carolina is leading the way in developing and securing our clean energy future and we’re excited that Arrival Automotive is expanding its electric vehicle operations in Charlotte,” said Governor Roy Cooper. “Our high-quality workforce and booming clean energy industry will help the company reach the goal of making electric vehicles affordable and accessible for everyone.”

Arrival continues to work with the City of Charlotte on achieving the goals set out in its Strategic Energy Action Plan (SEAP) that outlines strategies for clean energy focused on transportation, buildings, energy generation, and equitable workforce development. Arrival believes its transformative approach can provide cities with the solutions they need to create sustainable urban environments and exceptional experiences for their citizens.

Arrival’s mission aligns with the City of Charlotte’s goal to improve sustainability efforts and reduce greenhouse emissions. In June 2018, the City passed the Sustainable and Resilient Charlotte by 2050 Resolution, which set aggressive and aspirational community-wide greenhouse gas emissions reduction goals for the City of Charlotte. It strives to have city fleets and facilities be 100% fueled by zero-carbon sources by 2030.

“We are thrilled that Arrival has decided to add even more jobs and investments in Charlotte,” said Mayor Vi Lyles. “We’re excited to continue to partner with them on sustainable initiatives within our community and achieving our shared goals of using clean energy.”

The project was a collaborative effort between the Charlotte Regional Business Alliance and the City of Charlotte with support from the North Carolina Governor’s Office and North Carolina Department of Commerce.

Additional Quotes:**North Carolina Department of Commerce Secretary Machelle Baker Sanders:**

“Congratulations to Arrival on this latest expansion as it will increase their commitment to more than 500 new jobs and \$55 million of capital investment in our state,” said. “The company’s passion for a clean energy future aligns with our clean energy goals and helps fuel our innovation economy. We appreciate Arrival’s contribution and trust in our skilled workforce, which we will continue to prioritize through North Carolina’s First in Talent plan.”

CLT Alliance President and CEO Janet LaBar:

“We’re thrilled that Arrival is deepening its ties in the Charlotte Region with this latest investment and expansion in an assembly plant in Charlotte, which further illustrates the scale of opportunities that exist here for next-generation companies committed to a smart, sustainable future. Arrival’s EV expertise and industry leadership are solving for global sustainability challenges and mobility solutions for all, and we’re proud they have chosen to establish and grow their footprint in our community.”

George Dunlap, Chairman of the Mecklenburg County Board of Commissioners:

“We are excited about the continued investment Arrival is making in Mecklenburg County by providing employment opportunities for our residents and for those throughout the region. As a County, we have worked to build and grow a thriving manufacturing sector to help bridge the economic mobility gaps in our community. Arrival’s forward-thinking leadership and innovation in the electric vehicle sector positions them for long-term growth and the ability to offer great entry level jobs with growth potential for our residents. The batteries created in their new facility will power their vehicles and empower our workforce of tomorrow.”

Michael Teden, Honorary British Consul for the State of North Carolina:

“We are thrilled to witness a UK-based company locate their US HQ in this region and continue their growth in Charlotte. Arrival Automotive is truly revolutionary and seeks to transform the electric vehicle manufacturing processes through their cutting edge innovation coupled with their all important vision of sustainable transportation.”

About Arrival

Arrival was founded in 2015 with a mission to make air clean by replacing all vehicles with affordable electric solutions – produced by local Microfactories. Six years and over 2,000 people later, we are driving the transition to EVs globally by creating products that are zero-emission, more desirable, more sustainable and more equitable than ever before. Our in-house technologies enable our radical new method of design and production using rapidly scalable, local Microfactories around the world. This method facilitates cities and governments in achieving their sustainability goals whilst also

supercharging their communities. We are a technology company, a product company, a supply chain company, an automotive company, a mobility company, a fintech company and a service company - all rolled into one with a shared goal of true sustainability. This vertically integrated business model is how we can have the radical impact our world needs today. Arrival (NASDAQ: ARVL) is a joint stock company governed by Luxembourg law.

About the City of Charlotte

The City of Charlotte provides services to more than 870,000 residents. The city's priorities are workforce and business development; transportation, planning and the environment; safe communities; and great neighborhoods. For the latest news and updates about city government, visit the citywide newsroom at charlottenc.gov/newsroom, and follow @CLTgov on Facebook, Twitter and Instagram.

Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding the products offered by Arrival and the markets in which it operates and Arrival's projected future results. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Such statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and are based on management's belief or interpretation of information currently available. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including, but not limited to: (i) the impact of COVID-19 on Arrival's business; (ii) the risk of downturns and the possibility of rapid change in the highly competitive industry in which Arrival operates, (iii) the risk that Arrival and its current and future collaborators are unable to successfully develop and commercialize Arrival's products or services, or experience significant delays in doing so, (iv) the risk that Arrival may never achieve or sustain profitability; (v) the risk that Arrival experiences difficulties in managing its growth and expanding operations, (vi) the risk that third-parties suppliers and manufacturers are not able to fully and timely meet their obligations; (vii) the risk that the utilization of Microfactories will not provide the expected benefits due to, among other things, the inability to locate appropriate buildings to use as Microfactories, Microfactories needing a larger than anticipated factory footprint, and the inability of Arrival to deploy Microfactories in the anticipated time frame; (viii) the risk that the orders that have been placed for vehicles, including the order from UPS, are cancelled or modified; (ix) the risk of product liability or regulatory lawsuits or proceedings relating to Arrival's products and services; and

(vi) the risk that third-party suppliers and manufacturers are not able to fully and timely meet their obligations; (vii) the risk that the utilization of Microfactories will not provide the expected benefits due to, among other things, the inability to locate appropriate buildings to use as Microfactories, Microfactories needing a larger than anticipated factory footprint, and the inability of Arrival to deploy Microfactories in the anticipated time frame; (viii) the risk that the orders that have been placed for vehicles, including the order from UPS, are cancelled or modified; (ix) the risk of product liability or regulatory lawsuits or proceedings relating to Arrival's products and services; and (x) the risk that Arrival will need to raise additional capital to execute its business plan, which may not be available on acceptable terms or at all; and (xi) the risk that Arrival is unable to secure or protect its intellectual property. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of Arrival's annual report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") on April 30, 2021 and other documents filed by Arrival with the SEC from time to time. Readers are cautioned not to put undue reliance on forward-looking statements, and except as required by applicable law, Arrival assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Arrival does not give any assurance that Arrival will achieve its expectations.

Media contacts

Press

pr@arrival.com

Investors

ir@arrival.com