



## FORD, SK and Koç set to create a joint venture to accelerate ford's electrification revolution in Europe

- Ford, SK On Co., Ltd. and Koç Holding sign non-binding Memorandum of Understanding; could create in Turkey one of Europe's largest production sites for electric commercial vehicle batteries
- Joint venture supports Ford's acceleration and leadership in the electrification revolution; strengthens Ford Pro, its global commercial vehicle services and distribution business
- Benefits large and small business customers across Europe by reducing running costs and helping them to meet their environmental goals
- Production start by mid-decade; total annual capacity likely to be in the range of 30 to 45 Gigawatt hours
- Joint venture subject to final agreement between the partners

**ANKARA, Turkey, March 14, 2022** – Ford, SK On Co., Ltd. and Koç Holding have signed a non-binding Memorandum of Understanding for a new, industry-leading joint venture business in Turkey– subject to progression to a firm commitment from the three partners – that would lead to the creation of one of the largest commercial vehicle electric battery facilities in the European wider region.

“At Ford, we are continuing to ramp up our actions to accelerate and lead the electrification revolution as we continue to create a carbon neutral business and also building on our strength as Europe's leading commercial vehicle brand through our new Ford Pro vehicle services and distribution business,” said Stuart Rowley, chair, Ford of Europe.

Separate within Ford and unique among automakers, Ford Pro is a major result of the Ford+ plan for growth and value creation based on enduring, always-on customer relationships. The company anticipates its growing capabilities and appeal to generate \$45 billion in revenue from hardware and adjacent and new services by 2025 – up from \$27 billion in 2019.

In Europe, Ford's commercial vehicle business goes from strength to strength. In 2021, Ford was Europe's top-selling commercial vehicle brand for the seventh successive year, and best-selling brand in nine markets, including the United Kingdom where the Ford Transit Custom was ranked No.1 in the sales charts ahead of any other passenger or commercial vehicle. In the next few months, Ford will start customer deliveries across Europe of its first all-electric commercial vehicle, the E-Transit.

“This proposed new battery joint venture is a prime example of how we are leveraging strategic partnerships to strengthen our business. It is also the first in a number of significant electrification and commercial vehicle announcements we will make this year as part of the ongoing redesign of our operations to create a leaner, stronger and sustainable all-electric Ford business in Europe,” said Rowley.

The joint venture would be located on a site near Ankara and will manufacture high Nickel NMC cells for assembly into battery array modules. Production is intended to start as early as mid-decade with an annual capacity likely to be in the range of 30 to 45 Gigawatt hours.

“Following the BlueOval SK cooperation in North America with Ford, we are delighted to be collaborating in Europe, and look forward to contributing to Ford's electrification growth strategy and further solving the global carbon reduction problem through the growth of the EV industry. In addition, the new joint venture will become a company that grows together with the Turkish community,” said Dong Seob Jee, CEO, SK On Co., Ltd.

The investment the three partners are considering making in the battery joint venture – and which includes support from the Turkish Government – will directly benefit large and small commercial vehicle operators across Europe, reducing their energy and running costs and providing a significant contribution to reducing CO<sup>2</sup> emissions.

“Koç Group is closely following investment opportunities in the auto industry, and in advanced technologies and developments in electrification in line with our sustainability approach. We have a strong collaboration with our

partner Ford spanning nearly a century, and which paves the way to forward-looking strategic investments,” said Levent Çakıroğlu, CEO, Koç Holding.

“Today, we are very excited to announce the signing of a non-binding MoU to look at a possible joint venture as a significant step for vertical integration in the electrified future of the auto industry. This strategic move is not only a testament to Turkey’s potential, but also bring our country a significant global competitive edge in battery production. The long-standing history and domestic leadership position of Koç Group in the auto industry, the trust and commitment of our partner Ford, and the deep-rooted experience of SK Innovation, further solidify our confidence in this project,” added Çakıroğlu.

Following today’s signing of the non-binding memorandum of understanding, Ford, SK On Co., Ltd. and Koç Holding will work toward finalizing the joint venture later this year.

“I want to thank our partners SK On Co., Ltd. and Koç Holding for their vision in what I believe will be an industry-leading joint venture which will take the manufacture and supply of batteries for electric commercial vehicles to the next level. I also thank the Turkish Government for continuing to support our electrification transformation,” said Rowley.

### **Ford and SK Innovation in the US**

Ford and SK Innovation – SK On Co., Ltd.’s parent company – also established a joint venture earlier this year in the United States, called BlueOval SK. In September, Ford announced it plans to make the largest ever U.S. investment in electric vehicles at one time by any automotive manufacturer and, together with its partner, SK Innovation, intends to invest \$11.4 billion and create nearly 11,000 new jobs at two mega-sites in Tennessee and Kentucky.

The Tennessee site, called BlueOval City, will be Ford’s largest, most advanced, most efficient auto production complex in its 118-year history, while the new BlueOval SK Battery Park in Kentucky will consist of twin battery plants that will power a new line-up of electric vehicles for the North American market.

Ford’s global battery electric plans call for at least 240 Gigawatt hours of battery cell capacity by 2030 – about 10 plants’ worth of capacity. Approximately 140 Gigawatts will be required in North America, with the balance dedicated to other key regions, including Europe and China.

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### ***About Ford Motor Company***

Ford Motor Company (NYSE: F) is a global company based in Dearborn, Michigan, that is committed to helping build a better world, where every person is free to move and pursue their dreams. The company’s Ford+ plan for growth and value creation combines existing strengths, new capabilities and always-on relationships with customers to enrich experiences for and deepen the loyalty of those customers. Ford designs, manufactures, markets and services a full line of connected, increasingly electrified passenger and commercial vehicles: Ford trucks, utility vehicles, vans and cars, and Lincoln luxury vehicles. The company is pursuing leadership positions in electrification, connected vehicle services and mobility solutions, including self-driving technology, and provides financial services through Ford Motor Credit Company. Ford employs about 183,000 people worldwide. More information about the company, its products and Ford Motor Credit Company is available at [corporate.ford.com](http://corporate.ford.com).

### ***About Ford of Europe***

Ford of Europe is responsible for producing, selling and servicing Ford brand vehicles in 50 individual markets and employs approximately 41,000 employees at its wholly owned facilities and consolidated joint ventures and approximately 55,000 people when unconsolidated businesses are included. In addition to Ford Motor Credit Company, Ford Europe operations include Ford Customer Service Division and 14 manufacturing facilities (10 wholly owned facilities and four unconsolidated joint venture facilities). The first Ford cars were shipped to Europe in 1903 – the same year Ford Motor Company was founded. European production started in 1911.

### ***About SK On Co., Ltd.***

SK On Co., Ltd. is a wholly owned subsidiary of SK Innovation. Established as South Korea’s first oil refining company in 1962, SK Innovation engages in diverse areas of business, including exploration and production (E&P), batteries, and information and electronics materials. It owns SK Energy, South Korea’s No. 1 refining company; SK Geocentric, the leader in the domestic petrochemical industry; SK Lubricants, a global lubricants company; SK Incheon Petrochem, a refining and chemical company; SK Trading International, a trader of crude oils and petrochemicals; SK Earthon, South Korea’s longest and largest independent exploration and production (E&P) company; and SK IE Technology, a global information and electronic material solution company. As part of their management system, SK Innovation pursues the maximization of happiness for all stakeholders.

**About Koç Holding**

Dating back to 1926, Koç Holding, one step ahead of change at all times, has become one of the largest and most successful groups in Turkey and in the region and the only Turkish company to be listed in Fortune Global 500 list. As of today, Koç Holding is Turkey's leading investment holding company and Koç Group is Turkey's largest industrial and services group in terms of revenues, exports, number of employees, taxes paid and total market capitalization on Borsa Istanbul. Koç Holding has leading positions with strong competitive advantages in energy, automotive, consumer durables and finance sectors, which offer strong long-term growth potential. Creating long-term sustainable value for the world and the societies in which the Koç Group operates, lies at the heart of its business model.

**Ford in Belgium & Luxemburg**

*Ford Belgium distributes Ford vehicles and Ford original parts in Belgium & Luxemburg, since 1922.*

*Ford Lommel Proving Ground is the lead test facility for validation of all Ford models in Europe, with approximately 390 employees.*

*Ford Lommel Proving Ground offers since 2021 high end Drive Training for external companies, associations and private individuals.*

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