



FORD, LG ENERGY SOLUTION, AND KOÇ HOLDING TO ESTABLISH A JOINT VENTURE TO PRODUCE BATTERY CELLS AS FORD PREPARES TO BRING MORE EVS TO CUSTOMERS IN EUROPE

- Ford, LGES, and Koç Holding sign non-binding MOU to build one of the largest commercial electric vehicle battery cell production facilities in the wider European region
- Project on track to break ground near Ankara, Turkey, later this year, with production to start in 2026, supporting Ford's target of producing 2 million+ electric vehicles globally by 2026
- Annual production capacity at new facility at least 25 Gigawatt hours (GWh), which could potentially expand up to 45 GWh, to manufacture battery cells

ANKARA, Turkey, February 21, 2023 – Today, Ford, LG Energy Solution and Koç Holding signed a non-binding Memorandum of Understanding (MoU) to form a new joint venture subject to final agreement by all the parties to create one of Europe's largest commercial electric vehicle battery cell facilities near Ankara, Turkey, strengthening the foundation for Ford's electric future in Europe.

The new joint venture will be located in an organised industrial zone in Başkent, near Ankara. The project is on track and expected to break ground later this year. Production is intended to start in 2026 with the three parties committing to at least 25 gigawatt hours (GWh) of annual production capacity, which could potentially expand up to 45 GWh.

"Ford continues to ramp up our electric vehicle plans as we scale to be a leader in the electric vehicle revolution. We are delivering on the commitment to produce batteries in the same region where we build electric vehicles. Establishing the new joint venture with LGES and Koç Holding will lay a solid foundation that is fundamental to building a thriving electric vehicle future for Ford in Europe," said Lisa Drake, vice president, Ford EV Industrialization.

This joint venture builds on two long-standing business relationships Ford has with both LGES and Koç Holding. Ford and LGES have worked together for over a decade, with LGES most recently supplying batteries from its plant in Poland for the Ford Mustang Mach-E and E-Transit. Ford Motor Company and Koç Holding enjoy a strong relationship that stretches back almost a century and includes the successful Ford Otosan joint venture, now over 60 years old.

"Our long-time business relationship with Ford is the result of our commitment to deliver unmatched product competitiveness, stable yields, and global operational expertise, made possible by our extensive knowledge accumulated through pre-emptive investments in global markets," said Youngsoo Kwon, CEO of LG Energy Solution. "Now joining forces with Ford and Koç in Turkey, we will bring in our leading battery technology to further boost the EV transition in Europe, thereby leading the global initiatives for a more sustainable future."



In a statement Koç Holding said: “We deeply feel the pain of the terrible earthquake disaster that occurred on February 6. As Koç Group, we mobilized all our resources for our country. We believe that investments such as this major one will play a crucial role in overcoming this extraordinarily difficult period. In this respect, we underline our determination to implement this investment facility with two global companies which will bring our country a significant global competitive advantage in the automotive industry. We express our condolences to our nation and truly believe that we will overcome these difficult times with unity and solidarity.”

“As Europe’s leading commercial vehicle brand for the past eight years, we want to continue providing our customers with the most efficient and innovative vehicles supporting their business goals through our Ford Pro vehicle services and distribution business. This new battery joint venture is a prime example of how we are leveraging our strategic business relationships to strengthen our business,” said Drake from Ford.

By 2035, Ford in Europe will offer an all-electric fleet of vans and passenger vehicles, new generation of zero-emission vehicles, optimised for a connected world, offering customers truly outstanding, always-on services and user experiences.

LGES has the largest global battery manufacturing network consisting of its manufacturing facilities in six countries (Korea, U.S., China, Poland, Indonesia, and Canada), with a total annual production capacity of 200GWh. Capitalizing on its solid production outputs and efficient operations, LGES is committed to providing the world-best customer value, as well as expediting the transition to clean energy through investing in R&D of next-generation battery technologies. Thanks to the surge in global demand, the company’s order backlog recorded KRW 385 trillion at the end of 2022. LGES aims to expand its global production capacity to 300GWh by the end of this year.

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About Ford in Europe

Ford, a global American brand woven into the fabric of Europe for more than 100 years, is committed to freedom of movement that goes hand-in-hand with looking after the planet and each other. The company’s Ford+ plan, with Model e, Ford Pro and the Ford Blue business units is accelerating its European transformation to an all-electric and carbon neutral future by 2035. The company is driving forward with bold, new EVs, each one designed with European drivers in mind and innovating with services to help people connect, communities grow, and businesses thrive. Selling and servicing Ford vehicles in 50 individual European markets, operations also include the Ford Motor Credit Company, Ford Customer Service Division and 14 manufacturing facilities (eight wholly owned and six unconsolidated joint venture facilities) with four centres based in Cologne, Germany; Valencia, Spain and at our joint venture in Craiova, Romania and Kocaeli, Türkiye. Ford employs approximately 34,000 people at its wholly owned facilities and consolidated joint ventures and approximately 54,000 people including unconsolidated businesses across Europe. More information about the company, its products and Ford Credit is available at www.corporate.ford.com.

About LG Energy Solution



LG Energy Solution (KRX: 373220), a split-off from LG Chem, is a leading global manufacturer of lithium-ion batteries for electric vehicles, mobility, IT, and energy storage systems. With 30 years of experience in revolutionary battery technology and extensive research and development (R&D), the company is the top battery-related patent holder in the world with over 25,000 patents. Its robust global network, which spans North America, Europe, Asia, and Australia, includes battery manufacturing facilities established through joint ventures with major automakers such as General Motors, Stellantis N.V., Hyundai Motor Group, and Honda Motor Co., Ltd. At the forefront of green business and sustainability, LG Energy Solution aims to achieve carbon neutral operations by 2050, while embodying the value of shared growth and promoting diverse and inclusive corporate culture. To learn more about LG Energy Solution's ideas and innovations, visit <https://news.lgensol.com>.

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 Group has been a driving force of the Turkish economy with revenues that correspond 8% of Turkey's GDP and exports that comprise 7% of Turkey's total exports. 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.

<https://www.koc.com.tr/en>

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