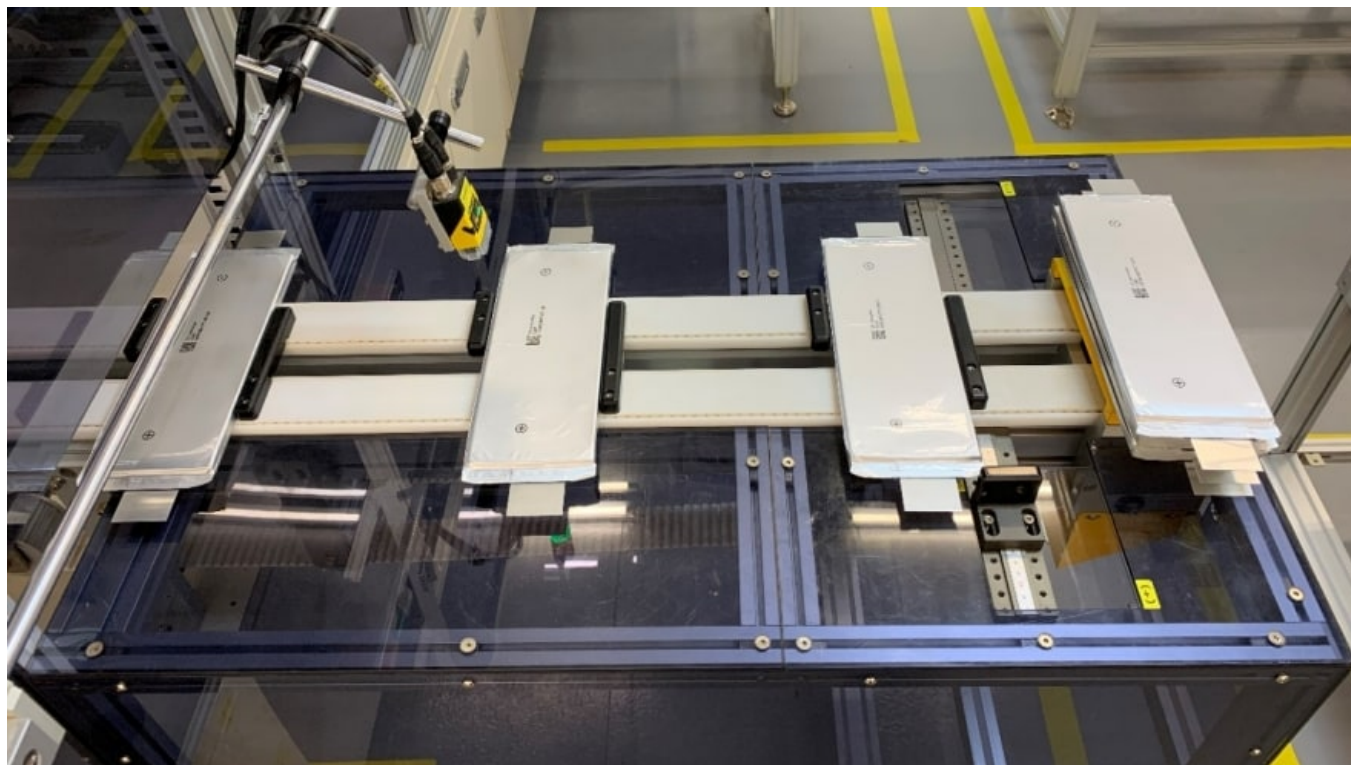


Ford Media Center

FORD COMMITS TO MANUFACTURING BATTERIES, TO FORM NEW JOINT VENTURE WITH SK INNOVATION TO SCALE NA BATTERY DELIVERIES

May 20, 2021 | DEARBORN, Mich.



Ford and SK Innovation announced today they have signed an MoU to create a joint venture – to be called BlueOvalSK – to produce approximately 60 GWh annually in traction battery cells and array modules, starting mid-decade, with potential to expand.

- Ford and SK Innovation today announce they have signed a memorandum of understanding (MoU) for a joint venture – to be called BlueOvalSK – to manufacture battery cells and arrays in the U.S.
- BlueOvalSK to produce approximately 60 gigawatt hours (GWh) annually with potential to expand, starting mid-decade
- By 2030, Ford expects annual energy demand for its vehicles will be up to 140 GWh annually in North America and up to 240 GWh globally; the company has invested in and is working with a number of battery suppliers to secure capacity and scale delivery for next-generation Ford and Lincoln battery electric vehicles

- The BlueOvalSK MoU builds on Ford's recently announced investments to accelerate R&D of battery technology and manufacturing – including a new global battery center of excellence and an additional investment in a solid-state battery startup

DEARBORN, Mich., May 20, 2021 – Ford and SK Innovation announced today they have signed an MoU to create a joint venture – to be called BlueOvalSK – to produce approximately 60 GWh annually in traction battery cells and array modules, starting mid-decade, with potential to expand.

"This MoU is just the start; it's a key part of our plan to vertically integrate key capabilities that will differentiate Ford far into the future," said Jim Farley, Ford president and CEO. "We will not cede our future to anyone else."

"We are delighted to be entering into collaboration with Ford, America's leading and iconic automaker. Ford is one of the most active players in vehicle electrification today. We are proud to be opening this new chapter in their long history," said Kim Jun, SK Innovation CEO & President. "Our JV with Ford will play a pivotal role in fleshing out the electric vehicle value chain in the United States, a key objective of the current U.S. administration."

The creation of the JV is subject to definitive agreements, regulatory approvals and other conditions. Next-gen cells and arrays will be used to power several future Ford battery electric vehicles.

"Through the JV, Ford and SKI will jointly develop and industrialize battery cells at scale that are tailored to deliver optimum performance and value for our Ford and Lincoln customers," said Lisa Drake, Ford's North America chief operating officer. "SKI is an important partner in helping deliver batteries with better range and value for our fully electric vehicles by mid-decade."

Ford's global BEV plan calls for at least 240 gigawatt hours (GWh) of battery cell capacity by 2030 – roughly 10 plants' worth of capacity. Approximately 140 GWh will be required in North America, with the balance dedicated to other key regions, including Europe and China.

"Global automakers have praised SK Innovations' EV batteries for their safety, high capacity and long life," said Jee Dong-seob, Head of SK Innovation's Battery Business. "SK Innovation will be supplying batteries for the fully electric version of Ford's legendary and best-selling F-150 pickup truck. We are thrilled to be supporting the electrification of a vehicle that represents the very best of American automaking."

SK Innovation is a global energy conglomerate headquartered in Seoul, South Korea. The company has pioneered the development of mid- to large-size EV batteries since 1991 and has expanded its battery operations globally since 2010. SK already operates a battery plant in Commerce, Georgia, USA – serving two global OEMs – and is expanding its production capacity in the European Union and China. SK Innovation plans to become one of the world's top three EV battery suppliers by 2025 with over 125 GWh in global production capacity.

SK Innovation has specialized in the development and commercialization of high-nickel NCM battery technology. The company developed the world's first NCM-811 battery in 2016 and continued to innovate and to develop the world's first Nickel 9 battery that will be mass produced in the U.S., powering Ford's F-150 Lightning.

Ford gaining EV momentum

Ford plans to lead the electric vehicle revolution – including by delivering fifth-generation lithium ion batteries as well as preparing for the transition to solid-state batteries, which promise longer range, lower cost and safer EVs for customers.

Ford this year announced its commitment to invest at least \$22 billion through 2025 to deliver connected, all-electric vehicles, building on its areas of strength, starting with EV versions of its most popular nameplates – including Mustang Mach-E, E-Transit and F-150 Lightning.

To support its longer-term battery plans, Ford is investing in battery R&D. Last month, Ford announced a new global battery center of excellence – named Ford Ion Park – to accelerate its battery and battery cell technology R&D – including future battery manufacturing.

Ford is building on nearly two decades of battery expertise by centralizing a cross-functional team of 150 experts in battery technology development, research, manufacturing, planning, purchasing, quality and finance to help Ford more quickly develop and manufacture battery cells and batteries, ultimately aiming to deliver more, even better, lower cost EVs for customers.

The Ford Ion Park team already is underway. In addition, a \$185 million collaborative learning lab in Southeast Michigan that is dedicated to developing, testing and building vehicle battery cells and cell arrays opens late next year.

Earlier this month, Ford also announced it is growing its investment in Solid Power, an industry-leading producer of all-solid-state batteries for EVs. Initially investing in Solid Power in 2019, Ford is making an additional equity investment to help accelerate further development of solid-state vehicle battery technology, contributing to a \$130 million Series B investment round in which the BMW Group becomes an equal equity owner with Ford.

Solid-state batteries are showing great promise. They don't use the liquid electrolyte found in conventional lithium-ion batteries, can be lighter, with greater energy density and provide more range and lower cost. They also can be made on today's lithium-ion battery lines, allowing Ford to reuse about 70 percent of its capital investment in lithium-ion manufacturing lines.

Proven electrification expertise

SK Innovation has a spotless health and safety record and has not registered a single EV battery-related fire.

Ford has been actively involved in battery research and electric vehicles, starting with Henry Ford and Thomas Edison. To date, the company has secured more than 2,500 U.S. patents in electrification technologies, with another 4,300 patents pending.

Since 2004, Ford has sold more than 1 million hybrids, plug-in hybrids and all-electric vehicles and integrated four generations of batteries into its vehicles. By year-end, the company will be manufacturing electrified vehicles and supporting technologies at more than 15 powertrain and vehicle assembly plants globally.

Ford has assembled hybrid battery packs and electric motors in Michigan since 2012. That same year, Ford invested \$135 million to design, engineer and produce these components for hybrids. It included a combined 170 jobs at the Rawsonville plant to assemble batteries and VanDyke Transmission plant to assemble e-motors, plus hiring more than 50 electric vehicle engineers.

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 186,000 people worldwide. More information about the company, its products and Ford Motor Credit Company is available at corporate.ford.com.

About 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 Global Chemical, 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; 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. It is for this reason that SK Innovation recognizes the importance of and pays attention to social enterprise, a way to create social values through business.