



**KAMUYU AYDINLATMA PLATFORMU**

# **FORD OTOMOTİV SANAYİ A.Ş.**

## **Material Event Disclosure (General)**

### **Summary**

Signing of 1-ton Commercial Vehicle Manufacturing, Supply and License Agreements





# Material Event Disclosure General

Related Companies

Related Funds

<b>Material Event Disclosure General</b>	
Update Notification Flag	Evet (Yes)
Correction Notification Flag	Hayır (No)
Date Of The Previous Notification About The Same Subject	04.12.2020
Postponed Notification Flag	Hayır (No)
<b>Announcement Content</b>	
<b>Explanations</b>	

Within the framework of the global collaboration between Ford Motor Company and Volkswagen AG, which was launched in 2018, the parties agreed on the joint production of the 1-ton medium commercial vehicle. In this context, 1T Cargo Van Contract Manufacturing and Supply Agreement, Spare Parts Supply Agreement, Framework Technology and Manufacturing License Agreement and Supplemental Agreement on the Product License Specification Product Program Agreement have been signed between Ford Otosan and Ford Motor Company to implement the project.

As per the subject agreements and within the scope of the project, Ford Otosan will manufacture the diesel, plug-in hybrid electric (PHEV), and all-electric variants of Ford's 1-ton medium commercial vehicle, "Next - Generation Transit Custom Family" starting gradually in the first half of 2023, targeting predominantly export markets. As part of the strategic alliance between Ford Motor Company and Volkswagen AG, Volkswagen AG's next-generation 1-ton commercial vehicle will also be produced in Kocaeli by Ford Otosan.

In this respect, Ford Otosan will invest EUR 1,390 million over the course of the next 5 years, increase the 1-ton commercial vehicle production capacity to 405,000 units, replacing the current 180,000 units capacity for the similar product, and produce with an 11-year planned life cycle.

The agreements stipulate that the domestic sales of the Ford branded vehicles will be carried out by Ford Otosan, that all remaining vehicles will be sold to Ford Motor Company or its affiliated companies with a cost-plus pricing methodology and that a significant part of the investment costs will be transferred to Ford Motor Company through vehicle sales.

The Board resolution pertaining to the approval of the agreements was taken unanimously.

In the upcoming period, the parties shall complete the product program approvals of the project and the requisite notification and application processes to the Competition Authority.

The aforementioned investment will be carried out by our Company within the scope of the Project Based State Aid of TL 20,501,205,701 to increase Ford Otosan's overall capacity to 650,000 units, issued for the product diversification and expansion investments foreseen for the New Generation Commercial Vehicle Projects, announced on 4 December 2020.

This statement has been translated into English for informational purposes. In case of a discrepancy between the Turkish and the English versions of this disclosure statement, the Turkish version shall prevail.

We proclaim that our above disclosure is in conformity with the principles set down in “Material Events Communiqué” of Capital Markets Board, and it fully reflects all information coming to our knowledge on the subject matter thereof, and it is in conformity with our books, records and documents, and all reasonable efforts have been shown by our Company in order to obtain all information fully and accurately about the subject matter thereof, and we’re personally liable for the disclosures.