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Farasis and TOGG signed a letter of intent to develop energy storage solutions for Turkey and surrounding countries

Strategic partnership between TOGG and Farasis

Farasis is partnering with TOGG, a European OEM developing native electric vehicles and e-mobility ecosystem, for the use of Farasis battery cells in the full range of TOGG products. According to the agreement, battery cells will be provided by Farasis and the battery modules and packs will be jointly developed and produced in Turkey. In addition to supplying batteries, the two companies will also expand their cooperation through a joint venture company to provide battery energy storage solutions for Turkey and the surrounding region.

TOGG has chosen Farasis as its business partner for the development and supply of Li-ion batteries, which are one of the most fundamental components of the electric vehicles they are developing. Following a signing ceremony held in Turkey's IT Valley and attended by the CEO and Board Members of each company, it was stated that the two companies came to an agreement not only on the supply of Farasis batteries to TOGG and entry into the Turkish market, but of the development and production of battery modules and packs by the two in Turkey through a strategic venture, which would combine Farasis technology with Turkey's automotive industry leadership to bring e-mobility solutions to new markets in the region.

In a statement following the signing ceremony, TOGG Chairman Rifat Hisarcıklıoğlu said, "The joint venture company to be established together with Farasis will also be an initiative to increase the efficiency of our country's energy system, reduce our country's dependence on foreign energy, and accelerate our development of a clean and efficient energy system. Therefore, TOGG's mobility ecosystem will become an important regional player that develops technology and creates serious economic value."

TOGG CEO Mr. Gürcan Karakaş said the following about the agreement, "Since 2018, more than 30 global battery suppliers have been evaluated within the framework of confidentiality agreements (NDAs), including possible domestic collaborations. Among them, the company that best met our technical, commercial and strategic criteria, and one of the world's leading Li-Ion battery manufacturers, Farasis, has been chosen as our business partner".

Mr. Karakaş went on to say: “It is very critical that Li-ion battery technology, which is considered to be one of the most important and fundamental technologies for electric vehicles today, comes to our country with an important player like Farasis. This cooperation will go beyond producing electric vehicle batteries in Turkey, but also improve battery R&D competencies in our country, trigger the automotive manufacturers to bring their electric vehicle projects to our country, and to enhance the energy storage business with non-automotive energy storage products in Farasis' product portfolio. The new joint-venture will represent a very important new economic value as the exclusive representative of Farasis in the region. We have been expressing from the beginning that TOGG will be one of the examples that will trigger the technological transformation in our country while developing zero-emission electric vehicles.”.

"TOGG is a pioneering initiative on Electric Vehicles"

Farasis co-founder and CEO Dr. Yu Wang who attended the signing ceremony online pointed out that Turkey is one of the most important automotive markets in the region, and stated the following; “Partnering with TOGG as they prepare to manufacture electric vehicles, building on the advanced and accumulated automotive know-how in Turkey, is a natural step we have taken in line with our basic strategies. We value Turkey as the next big market for electrification and thus an ideal location along with TOGG as a greatly innovative partner doing the right work, at the right time, in the right place, to support the ambitious growth plans of our company. We have signed this letter of intent to meet the demands both in Turkey and in the region. We are excited that this cooperation, which started with the supply of batteries, will turn into a long-term partnership.”

Farasis head of European organization and business, Sebastian Wolf who was personally taking part in the signing ceremony and driving the cooperation from the start added: “From the very beginning of the discussions with TOGG, we have quickly found that our two companies are sharing the same spirit, namely electrifying the future of individual mobility. We expect the Turkish automotive and non-automotive market to face a substantial growth in demand for Li-ion batteries. Thus, we are very excited to partner with TOGG to set-up the first EV battery making corporation in the region.”

Cell R&D will also be conducted

In the joint statement made by TOGG and Farasis after the signing ceremony, the comprehensive business plan of the joint venture company will be prepared until the end of 2020 according to the joint venture company intent letter, which includes the general principles of the strategic partnership signed at TOGG's management center in the IT Valley. The legal basis of the partnership will be detailed during this time. In line with this progress, it is aimed to establish a joint venture company officially at the beginning of 2021 by making final evaluations and approvals by the Boards of the two companies.

The statement underlined that the targeted joint-venture of TOGG and Farasis set their priorities on the Turkish local content as highlighted in the business plan; including the development of novel battery cells in Turkey to be evaluated in detail. It was also underlined that the long-term competence to be developed in high energy and power cell chemistries with long cycle life and improved safety, will make a great contribution to both parties.



About Farasis

Farasis energy, Inc., the predecessor of Farasis Energy (Ganzhou) Ltd., was founded in the United States in 2002. By offering Li-ion batteries with leading energy density and power, they expanded into China and Europe, building a broad portfolio of battery solutions and global customers in different markets.

Farasis is currently one of the largest manufacturers of pouch cells for the BEV market, with multiple global R&D centers and over 4,000 employees. Farasis can provide one-stop energy storage solutions for battery development, production, and end-of-life processing, and is one of the first battery cell manufacturers to set up a 100 percent CO2 neutral factory in Europe.

Important steps taken by Farasis since its establishment:

- 2002 - founded by Dr. Yu Wang and Dr. Keith Kepler focused on NMC batteries for EVs, which is the most widely used battery chemistry today.
- 2009- Farasis Energy established in China, the largest electric vehicle market.
- 2010-2015 - Electric motorcycles, auxiliary power units, forklifts and special vehicles were sold to the USA and Europe.
- 2015 - started programs with BAIC, one of the leading OEMs of China.
- 2017-2019- started programs with other leading Chinese OEMs and Daimler (Mercedes-Benz) on a range of electric vehicles battery solutions.
- 2020 – Successful Initial Public Offering (IPO) achieving a company valuation of over \$ 5 billion.
- Daimler acquired a 3% stake of Farasis as a part of the battery cell deal.

About TOGG

TOGG, intellectual property rights owned by Turkey, was founded on June 25, 2018 with an mobility brand creation target to compete on a global scale, by Turkey's largest retailer Anadolu Group, one of the largest commercial vehicle manufacturers BMC, the founder of Turkey's automotive veteran with Kök Group, Turkey's largest telecommunications company Turkcell, Europe's and Turkey's largest television manufacturer Zorlu and largest nonprofit organization in the country The Union of Chambers and Commodity Exchanges of Turkey (TOBB) .

The first product, the naturally electric C-SUV vehicle, which will be off the tapes in the last quarter of 2022 at its facilities under construction in Gemlik, the company will produce a fully-electric C Segment sedan and Hatchback, an SUV in the B segment and an MPV in the C segment by 2030.

TOGG will have a capacity to produce 175 thousand vehicles per year in its facilities with 1.2 million m2 open area and 230 thousand m2 closed area. The company, which will develop new technologies, services, business user experiences and new business models within the ecosystem that it will create around smart and connected automobiles, aims to reach a production of 1 million units by 2035.