

Mobility Segment

The Mobility segment primarily includes development costs for Ford's autonomous vehicles and related businesses, Ford's equity ownership in Argo AI (a developer of autonomous driving systems), and other mobility businesses and investments.

In our Mobility segment, our 2022 EBIT loss improved \$104 million from a year ago. The \$926 million EBIT loss reflects our strategic investments in our autonomous vehicle capabilities and support of our mobility initiatives.

In the third quarter of 2022, we made the strategic decision to shift our capital spending from L4 technology being developed by Argo AI to advanced L2/L3 systems, which we believe will ultimately be essential to achieve profitable commercialization of L4 autonomy at scale in the future. Additionally, because of the significant additional capital and time required to achieve commercialization of L4, as well as other macroeconomic factors, Argo AI has been unable to attract new investors. After performing external outreach in the third quarter to assess market interest in acquiring either Argo AI or its technology components and conducting internal reviews to evaluate opportunities to leverage Argo AI's technology, Ford determined that Argo AI no longer has value as a going concern. As a result, we reassessed the carrying value of our investment in Argo AI starting from September 30, 2022, and in October, Ford and VW initiated the process of exiting the joint development of L4 technology through Argo AI. Accordingly, in the second half of 2022, we recorded as a special item a \$2.7 billion pre-tax impairment on our Argo AI investment, and on October 26, 2022, we announced that Argo AI plans to wind down operations, which is in progress.