

**FORD MOTOR COMPANY AND SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 22. ACQUISITIONS AND DIVESTITURES (Continued)**

*Ford Lio Ho Motor Co., Ltd. ("FLH").* On April 1, 2021, we completed the sale of our controlling financial interest in FLH and its wholly owned subsidiary FLH Marketing & Service Limited, which resulted in deconsolidation of our Ford Taiwan subsidiary in the second quarter of 2021. FLH will continue to import, manufacture, and sell Ford-branded vehicles through at least 2025. We recognized a pre-tax gain of \$ 161 million, which was reported in *Other income/(loss), net* in the second quarter of 2021.

*Getrag Ford Transmissions GmbH ("GFT").* Prior to March 2021, Ford and Magna International Inc. ("Magna") equally owned and operated the GFT joint venture for the purpose of developing, manufacturing, and selling transmissions. We accounted for our investment in GFT as an equity method investment. During the first quarter of 2021 and prior to our acquisition, GFT recorded restructuring charges, of which our share was \$ 40 million. These charges are included in *Equity in net income/(loss) of affiliated companies*.

On March 1, 2021, we acquired Magna's shares in the restructured GFT. The purchase price, which was subject to post-closing revisions, was \$ 275 million. The restructured GFT includes the Halewood, UK and Cologne, Germany transmission plants, but excludes the Bordeaux, France transmission plant and China interests acquired by Magna. We concluded with Magna that these businesses would be better served under separate ownership. The Sanand, India transmission plant continues under joint Ford/Magna ownership. As a result of the transaction, we consolidated the restructured GFT, remeasured our prior investment in GFT at its \$ 275 million fair value, and recognized in *Other income/(loss), net* a pre-tax gain of \$ 178 million during 2021 and post-closing revisions resulting in a pre-tax gain of \$ 2 million during the first quarter of 2022. We estimated the fair value of GFT in negotiations with Magna based on the income approach. The significant assumptions used in the valuation included GFT's cash flows that reflect the approved business plan, discounted at a rate typically used for a company like GFT.

*Argo AI, LLC ("Argo AI").* On June 1, 2020, we completed a transaction with VW that resulted in Ford and VW holding equal interests in Argo AI, which together comprised a majority ownership of the entity. See Note 14 for more information about our retained investment in Argo AI following this transaction.

**Ford Credit Segment**

In the first quarter of 2020, Ford Credit completed the sale of its wholly-owned subsidiary Forso Nordic AB, recognizing a pre-tax loss of \$ 4 million, reported in *Other income/(loss), net*, and cash proceeds of \$ 1.3 billion.