

FORD MOTOR COMPANY AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 26. SEGMENT INFORMATION

We report segment information consistent with the way our chief operating decision maker ("CODM") evaluates the operating results and performance of the Company. Accordingly, we analyze the results of our business through the following segments: Automotive, Mobility, and Ford Credit. Items not included within our segments are reported and reviewed as part of Corporate Other, Interest on Debt, and Special Items.

On January 1, 2023, we implemented a new operating model and reporting structure. With this change, we will analyze the results of our business through the following reportable segments: Ford Blue, Ford Model e, and Ford Pro (combined, replacing the Automotive segment); Ford Next (previously Mobility); and Ford Credit. As a result of the change, beginning with our Quarterly Report on Form 10-Q for the quarter ending March 31, 2023, we will report our results in these five reportable segments. Company adjusted earnings before interest and taxes ("EBIT") will include the financial results of these five reportable segments and Corporate Other, and net income will comprise the financial results of the five reportable segments and Corporate Other, as well as Interest on Debt, Special Items, and Taxes.

Below is a description of our reportable segments and other activities as of December 31, 2022.

Automotive Segment

The Automotive segment primarily includes the sale of Ford and Lincoln vehicles, service parts, and accessories worldwide, together with the associated costs to develop, manufacture, distribute, and service the vehicles, parts, and accessories. This segment includes revenues and costs related to our electrification vehicle programs and enterprise connectivity. The segment includes the following regional business units: North America, South America, Europe, China (including Taiwan), and the International Markets Group.

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. For additional information about our investment in Argo AI, see Note 14.

Ford Credit Segment

The Ford Credit segment is comprised of the Ford Credit business on a consolidated basis, which is primarily vehicle-related financing and leasing activities.

Corporate Other

Corporate Other primarily includes corporate governance expenses, interest income (excluding interest earned on our extended service contract portfolio that is included in our Automotive segment) and gains and losses from our cash, cash equivalents, and marketable securities (excluding gains and losses on investments in equity securities), and foreign exchange derivatives gains and losses associated with intercompany lending. Corporate governance expenses are primarily administrative, delivering benefit on behalf of the global enterprise, that are not allocated to operating segments. These include expenses related to setting and directing global policy, providing oversight and stewardship, and promoting the Company's interests. Corporate Other assets include: cash, cash equivalents, and marketable securities; tax related assets; other investments; and other assets managed centrally.

Interest on Debt

Interest on Debt is presented as a separate reconciling item and consists of interest expense on Company debt excluding Ford Credit. The underlying liability is reported in the Automotive segment and in Corporate Other.