



August 4, 2021

Dear Shareholders:

At General Motors, we have been on a journey for several years to reinvent mobility to create a greener and safer world for all – while growing the company and creating shareholder value. Halfway through 2021, I'm pleased to report we're accelerating our progress and advancing our vision of a world with zero crashes, zero emissions and zero congestion.

Our strategy, investments and results are increasingly setting us apart, including:

- Generating consistently strong earnings, including record EBIT-adjusted of \$4.1 billion in the second quarter, and \$8.5 billion in the first half.
- Accelerating our engineering and capital investments in electric vehicles (EVs) and self-driving technology (AVs) by \$8 billion to \$35 billion from 2020-2025.
- Developing a full EV portfolio that doesn't depend on partial solutions like hybrids and "electrified" ICE vehicles. Instead, we've focused our investment on achieving the end solution of zero emissions more quickly.
- Creatively managing the complex and fluid global semiconductor shortage, while prioritizing our highest-demand, capacity-constrained products, and developing sustainable, long-term supply chain solutions.

With our engineering and capital investments, we are executing the industry's most comprehensive and fully integrated EV and AV strategy, underpinned by the Ultium Platform, along with revenue growth opportunities like connected services, HYDROTEC and Super Cruise.

The credit for our strong first half goes to our employees and extended team, including suppliers and dealers, who have collectively demonstrated strength, agility and resilience.

There will be challenges, but we now expect full-year EBIT-adjusted in the range of \$11.5 billion to \$13.5 billion, compared with \$10 billion to \$11 billion previously.

We're excited about launching our first Ultium-based vehicles this fall – the GMC HUMMER EV Pickup, and the BrightDrop EV600 electric commercial vehicle. They will be followed in early 2022 by the all-electric Cadillac LYRIQ SUV, and Cadillac is announcing today that it will begin taking LYRIQ reservations on Sept. 18. We have also confirmed that both Chevrolet and GMC will offer battery electric full-size pickups based on Ultium.

These are just some of the more than 30 EV models we are launching in North America and China by 2025. The investments we announced make it clear that our EV goals, which include selling more than 1 million EVs globally by 2025, and earning EV market leadership in North America, are just the start.

The pull-ahead of \$8 billion in investment means we will be in an even stronger position to delight customers with EVs that are better for the environment. Not only will our EVs be fun to drive and cost less to own, we will provide an outstanding customer experience. This is how we will encourage and inspire mass consumer adoption of EVs. GM has the technology, talent, scale and manufacturing expertise to do it.

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Our accelerated projects include:

- **Expanding battery cell manufacturing in the United States:** We're adding two battery cell plants in the U.S., beyond the two currently under construction. They will create thousands of good jobs, and we'll add more capacity as demand grows.
- **Adding new EV programs and capacity:** We have added two new EVs for commercial and small-business customers to our product plan. We will also add EV manufacturing capacity by transitioning production at existing plants.
- **Developing the third generation of GM's HYDROTEC fuel cell technology:** Hydrogen fuel cells are poised to become the leading technology for electrifying the largest, hardest-working vehicles on the road and beyond.

In addition to launching new GM products powered by HYDROTEC, trucking, rail, and aerospace companies, including Navistar, Wabtec, and Liebherr Aerospace, are tapping our fuel cell expertise to decarbonize their products. Some companies, including Honda and Wabtec, are also deploying Ultium battery technology. This is a powerful validation of our technology, and expands the reach of our vision.

Our strategy capitalizes on the tight integration across GM to drive innovation and growth, and it allows us to advance on many fronts simultaneously.

Cruise continues to make excellent progress toward launching its first fully driverless commercial service. GM remains a major accelerator of Cruise's mission, with the purpose-built Origin giving Cruise a huge competitive advantage.

Recently, through GM Financial, we extended Cruise a \$5-billion line of credit to further advance its commercial ramp of the Origin, which is being built at Factory ZERO in Detroit-Hamtramck and launches in early 2023.

Synergies created by GM's design, engineering, manufacturing and sourcing expertise are also driving rapid growth at BrightDrop, GM's new business that is innovating connected and electric first-to-last-mile delivery solutions. To meet expected demand, we are pulling forward the transition of our CAMI Assembly plant in Canada from building gas-powered vehicles to assembling the BrightDrop EV600. We will now transition BrightDrop production to CAMI in November 2022.

As we build this all-electric and autonomous future, we will lead positive change and implement inclusive solutions that bring everyone along, especially our employees and communities. We call it equitable climate action.

This is not just a pivot from building one type of vehicle to another. Our plans for everything, from how and where we obtain raw materials and energy to our finished products, align with our business goals and environmental commitments.

Accelerating our all-electric future requires an EV value chain that is secure, sustainable, scalable and cost competitive. To do this, we are creating a diversified, environmentally friendly and geographically diverse value chain through investments, strategic partnerships and supply agreements.



For example, we are working with suppliers to develop new sources in the United States for lithium, a key battery cell component, and accelerate the adoption of extraction methods that have less of an impact on the environment. We are taking a similar approach with other critical minerals needed to support our EV future.

We also plan to source 100-percent renewable energy to power our U.S. sites by 2030, global sites by 2035, and to become carbon neutral in our global vehicles and operations by 2040. In 2020, GM was the sixth largest corporate clean energy buyer in the world.

Similarly, our “Everybody In” approach means GM will offer a full range of vehicles and services that make EVs accessible to the largest possible customer base while removing barriers to ownership, such as access to charging. For the GM team, it means creating an exciting future for everyone.

The Cruise model for autonomous ridesharing is another great example of an inclusive solution. Cruise is targeting a cost per mile that’s a fraction of what conventional ridesharing costs today. This will make zero-emissions transportation far more affordable and accessible, and it’s achievable because of Cruise’s expertise, and GM’s experience and scale.

Beyond direct action, we will make an impact at the grassroots level through community groups, because climate change does not impact everyone equally. To that end, GM created a \$25-million Climate Equity Fund during the second quarter that will award grants to help close equity gaps across clean energy jobs, EV and infrastructure access, and community adaptation and resilience.

Finally, thanks to the commitment of the GM team, we’re consistently exceeding our business targets and building a strong future together. I’m energized that through this teamwork, we are making a larger, positive impact and creating a greener, safer, more equitable and prosperous future.

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Cautionary Note on Forward-Looking Statements: This letter and related comments by management may include “forward-looking statements” within the meaning of the U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements represent our current judgement about possible future events and are often identified by words such as “anticipate,” “appears,” “approximately,” “believe,” “continue,” “could,” “designed,” “effect,” “estimate,” “evaluate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “may,” “objective,” “outlook,” “plan,” “potential,” “priorities,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” or the negative of any of those words or similar expressions. In making these statements, we rely upon assumptions and analysis based on our experience and perception of historical trends, current conditions, and expected future developments, as well as other factors we consider appropriate under the circumstances. We believe these judgements are reasonable, but these statements are not guarantees of any future events or financial results, and our actual results may differ materially due to a variety of factors, many of which are described in our most recent Annual Report on Form 10-K and our other filings with the U.S. Securities and Exchange Commission. We caution readers not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or otherwise revise any forward-looking



statements, whether as a result of new information, future events, or other factors that affect the subject of these statements, except where we are expressly required to do so by law.

Non-GAAP Reconciliations

The following table reconciles net income attributable to stockholders under U.S. GAAP to EBIT (loss)-adjusted (dollars in millions):

	Three Months Ended		Six Months Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Net income (loss) attributable to stockholders(a)	\$ 2,836	\$ (758)	\$ 5,858	\$ (464)
Automotive interest income	(32)	(61)	(64)	(144)
Automotive interest expense	243	303	493	496
Income tax expense (benefit)	971	(112)	2,148	245
Adjustments				
Korea Wage Litigation(b)	82		82	—
Cadillac dealer strategy(c)	17		17	—
GMI restructuring(d)	—	92	—	581
Total adjustments	99	92	99	581
EBIT (loss)-adjusted	\$ 4,117	\$ (536)	\$ 8,534	\$ 714

(a) Net of net loss attributable to noncontrolling interest.

(b) These adjustments were excluded because of the unique events associated with recent Supreme Court of Korea decisions related to our salaried workers.

(c) These adjustments were excluded because it relates to strategic activities to transition certain Cadillac dealers from the network as part of Cadillac's electric vehicle strategy.

(d) These adjustments were excluded because of a strategic decision to rationalize our core operations by exiting or significantly reducing our presence in various international markets to focus resources on opportunities expected to deliver higher returns. These adjustments primarily consist of inventory provisions in the three months ended June 30, 2020, and asset impairments, dealer restructurings, employee separation charges and sales allowances in Australia, New Zealand and Thailand in the three months ended March 31, 2020.



Guidance Reconciliation

The following table reconciles expected Net income attributable to stockholders under U.S. GAAP to expected EBIT-adjusted (dollars in billions):

	Year Ending December 31, 2021	
Net income attributable to stockholders	\$	7.7-9.2
Income tax expense		2.8-3.3
Automotive interest expense, net		0.9
Adjustments (a)		0.1
EBIT-adjusted (b)	\$	11.5-13.5

- (a) Refer to the reconciliation of Net income attributable to stockholders under U.S. GAAP to EBIT-adjusted for adjustment details.
- (b) We do not consider the potential future impact of adjustments on our expected financial results.