



Jan. 31, 2023

To Our Shareholders:

In 2022, the GM, GM Financial and Cruise teams delivered results that truly set us apart from our competition.

- We earned record EBIT-adjusted of \$14.5 billion and our eligible U.S. hourly employees earned record profit sharing totaling \$500 million, which brings the three-year total to \$1.2 billion. Their hard work helped us deliver industry-leading initial quality and meet strong customer demand.
- GM led the U.S. industry in total sales and delivered the largest year-over-year increase in market share of any OEM, thanks to strong demand for our products and improved supply chain conditions.
- Chevrolet and GMC are the clear market leaders in the U.S. for pickups and full-size SUVs.
- We are gaining considerable market share in our fleet business, especially with commercial customers, and we believe our growing portfolio of EVs will enhance this strong performance.
- The Chevrolet Bolt EV and Bolt EUV saw record sales, which demonstrates the importance of affordable EVs in our portfolio. They were the best-selling mainstream EVs in the second half of 2022, and we plan to increase production to more than 70,000 this year for global markets.
- In the latest J.D. Power U.S. Initial Quality Study, GM improved while the industry went backwards. Not only did we get better, GM and the Buick brand led the industry. Chevrolet had six top-ranked vehicles and the Corvette was the highest-ranked nameplate in the industry.
- We are now a clear leader in autonomous vehicles, with Cruise meeting its commitment to expand commercial operations in San Francisco and quickly enter the Austin and Phoenix markets.

We expect that our momentum will help us deliver strong results once again in 2023. In fact, we have all the essential ingredients to deliver EBIT-adjusted in a range of \$10.5 billion to \$12.5 billion thanks to our strong operating performance.

2023 will also be a breakout year for the Ultium Platform.

By leveraging U.S.-made battery cells produced by our Ultium Cells joint venture and the scalability and flexibility of the Ultium Platform, we are accelerating production of the Cadillac LYRIQ, GMC HUMMER EV and BrightDrop Zevo 600, and we will launch exciting vehicles like the Chevrolet Silverado EV, Blazer EV and Equinox EV. This keeps us on track to produce 400,000 EVs in North America from 2022 through the first half of next year.

Our EVs are transformational in so many ways. We're earning new customers. Our investments are creating new jobs. We're moving closer to a world with zero crashes, zero emissions and zero congestion, and we believe our R&D, supply chain, manufacturing scale and distribution network will unlock the profitability of EVs.

Executing an EV and AV strategy like ours takes experience, skill and teamwork. We're succeeding because of our team, great vehicles, industry-leading customer loyalty and the relationships we have with dealers, suppliers and labor partners.

Together, we are delivering on our commitments year after year, and we thank you for your continued support and confidence.

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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 and represent our current judgment about possible future events. 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 judgments 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-adjusted (dollars in millions):

	Three Months Ended		Years Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net income attributable to stockholders(a)	\$ 1,999	\$ 1,741	\$ 9,934	\$ 10,019
Income tax expense	580	471	1,888	2,771
Automotive interest expense	267	227	987	950
Automotive interest income	(215)	(44)	(460)	(146)
Adjustments				
Cruise compensation modifications(b)	–	–	1,057	–
Russia exit(c)	657	–	657	–
Buick dealer strategy(d)	511	–	511	–
Patent royalty matters(e)	–	250	(100)	250
GM Brazil indirect tax matters(f)	–	194	–	194
Cadillac dealer strategy(g)	–	–	–	175
GM Korea wage litigation(h)	–	–	–	82
Total adjustments	1,168	444	2,125	701
EBIT-adjusted	\$ 3,799	\$ 2,839	\$ 14,474	\$ 14,295

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

(b) This adjustment was excluded because it relates to the one-time modification of Cruise stock incentive awards.

(c) This adjustment was excluded because it relates to the shutdown of our Russia business including the write off of our net investment and release of accumulated translation losses into earnings.

(d) This adjustment was excluded because it relates to strategic activities to transition certain Buick dealers out of our dealer network as part of Buick's EV strategy. In 2023, we expect to incur additional charges as we continue to optimize our Buick dealer network. The ultimate amount of any future charges will depend on negotiations with our dealers.

(e) These adjustments were excluded because they relate to certain royalties accrued with respect to past-year vehicle sales in 2021 and the resolution of substantially all of these matters in 2022.

(f) This adjustment was excluded because it relates to a settlement with third parties relating to retrospective recoveries of indirect taxes in Brazil realized in prior periods.

(g) This adjustment was excluded because it relates to strategic activities to transition certain Cadillac dealers out of our dealer network as part of Cadillac's EV strategy.

(h) This adjustment was excluded because of the unique events associated with Korea Supreme Court decisions related to our salaried workers.

The following table reconciles diluted earnings per common share under U.S. GAAP to EPS-diluted-adjusted (dollars in millions, except per share amounts):

	Three Months Ended				Years Ended			
	December 31,		December 31,		December 31,		December 31,	
	2022		2021		2022		2021	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
Diluted earnings per common share	\$ 1,987	\$ 1.39	\$ 1,703	\$ 1.16	\$ 8,915	\$ 6.13	\$ 9,837	\$ 6.70
Adjustments(a)	1,168	0.82	444	0.30	2,125	1.46	701	0.47
Tax effect on adjustments(b)	(127)	(0.09)	(62)	(0.04)	(423)	(0.29)	(105)	(0.07)
Tax adjustments(c)	—	—	(96)	(0.07)	(482)	(0.33)	(51)	(0.03)
Deemed dividend adjustment(d)	—	—	—	—	909	0.63	—	—
EPS-diluted-adjusted	\$ 3,028	\$ 2.12	\$ 1,989	\$ 1.35	\$ 11,044	\$ 7.59	\$ 10,382	\$ 7.07

- (a) Refer to the reconciliation of Net income attributable to stockholders under U.S. GAAP to EBIT-adjusted for adjustment details.
- (b) The tax effect of each adjustment is determined based on the tax laws and valuation allowance status of the jurisdiction to which the adjustment relates.
- (c) In the year ended December 31, 2022, the adjustment consists of tax benefit related to the release of a valuation allowance against deferred tax assets considered realizable as a result of Cruise tax consolidation. In the year ended December 31, 2021, the adjustments consist of tax benefits related to a deduction for an investment in a subsidiary and resolution of uncertainty relating to an indirect tax refund claim in Brazil, partially offset by tax expense related to the establishment of a valuation allowance against Cruise deferred tax assets.
- (d) This adjustment consists of a deemed dividend related to the redemption of Cruise preferred shares from SoftBank in the year ended December 31, 2022.

The following table reconciles net automotive cash provided by operating activities under U.S. GAAP to adjusted automotive free cash flow (dollars in millions):

	Three Months Ended		Years Ended	
	December 31,	December 31,	December 31,	December 31,
	2022	2021	2022	2021
Net automotive cash provided by operating activities	\$ 7,488	\$ 9,384	\$ 19,094	\$ 9,693
Less: Capital expenditures	(3,235)	(3,154)	(9,007)	(7,389)
Add: Patent royalty matters	—	—	145	—
Add: Buick dealer strategy	120	—	120	—
Add: GM Brazil indirect tax matters	57	—	57	—
Add: Russia exit	31	—	31	—
Add: Cadillac dealer strategy	—	100	—	144
Add: GM Korea wage litigation	—	73	26	92
Add: GMI restructuring	—	—	—	24
Adjusted automotive free cash flow	\$ 4,460	\$ 6,403	\$ 10,466	\$ 2,564

Guidance Reconciliations

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, 2023	
Net income attributable to stockholders	\$	8.7-10.1
Income tax expense		1.6-2.2
Automotive interest expense, net		0.2
EBIT-adjusted(a)	\$	10.5-12.5

(a) We do not consider the potential future impact of adjustments on our expected financial results.

The following table reconciles expected automotive net cash provided by operating activities under U.S. GAAP to expected adjusted automotive free cash flow (dollars in billions):

	Year Ending	
	December 31, 2023	
Net automotive cash provided by operating activities	\$	16.0-20.0
Less: Capital expenditures		11.0-13.0
Adjusted automotive free cash flow(a)	\$	5.0-7.0

(a) We do not consider the potential future impact of adjustments on our expected financial results.