

# Our New Partner: Volkswagen AG Invests \$2.6 Billion at More Than \$7 Billion Valuation; Facilitates Expansion to Europe



Argo AI

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12 July 2019, US, NYC: Jim Hackett, CEO of Ford, Bryan Salesky, CEO of Argo AI, Herbert Diess, CEO of VW

When we formed Argo AI more than two years ago, our mission was clear: make transportation safer, more accessible, affordable and convenient by developing self-driving vehicles in partnership with leading automakers.

Today, Volkswagen AG becomes our second investor and our latest customer. Our agreement with Volkswagen positions us as a technology platform company, expands the potential geography for deployment and will further fuel our product development. In fact, we're the first self-driving company with definitive deployment plans in both the United States and Europe.

This new partnership builds on a \$1 billion investment from Ford Motor Company, which has given us the financial resources to allow our team to focus, grow our talent, go heads down and progress quickly — putting us in a position to attract one of the world's largest automakers.

Volkswagen will invest \$2.6 billion in our company by committing \$1 billion in funding and contributing its Autonomous Intelligent Driving (AID) company, valued at \$1.6 billion. This is an exceptional validation of our team and the technology we are developing. The culmination of this deal leads a valuation that exceeds \$7 billion. Ford and Volkswagen will hold equal stakes in Argo, while the remainder of the company's equity has been set aside for employees. Our employees feel and act like owners, and this will continue into the future.

We are excited to welcome the AID employees to Argo AI. The Munich-based team will become our European headquarters. With this move, our company will expand by 200 employees to reach a total of over 700.

Argo AI was set up to be agile — to be able to quickly iterate software and hardware. That agility, bolstered by the scale and capability of Ford and Volkswagen, is a powerful combination. With the addition of the AID team, we have the best aspects of a technology startup with a global footprint, along with the backing of two of the world's leading automakers.

One of our strategic advantages — and the thing that makes Argo truly unique — is that we are an independent company that has now established relationships with two global automakers. This allows us to work hand-in-hand to approach the design, development and manufacture of self-driving vehicles holistically. From both a safety and scalability standpoint, it's a key strategic advantage, and we believe we are the only self-driving company with such close working relationships. With Ford and Volkswagen as partners, Argo technology could reach nearly every global market and be applied across multiple brands and to a variety of vehicle platforms.

We believe this close collaboration with automakers is ideal, and we couldn't ask for better partners than Ford and Volkswagen, who have great respect for this way of working together.

Volkswagen's strength in Europe and other global markets will help solve the mobility challenges faced by many cities around the world. As one of the world's largest automakers, it brings additional resources to the table, including significant experience with electric vehicles. Volkswagen's strength in electric vehicles will allow deployment of zero-emissions self-driving vehicles in cities.

As I mentioned earlier, Argo AI continues to be able to offer equity to attract top talent. Those of you reading this who work in related fields and are interested in joining our team, please check out Argo AI on LinkedIn. In addition to allowing us to grant equity to employees, our structure enables us to continue to seek new partners that align with our strategy and values.

We will continue to cultivate our culture of safety — one we built from the ground up, as we expand our footprint globally. While technology development remains a core mission for Argo, we are equally committed to operating as a responsible and ethical partner in those communities where we test. We founded Argo AI to tackle one of the most challenging applications in computer science, robotics and artificial intelligence — self-driving vehicles. And we did this because we strongly believe the technology can benefit society by improving the freedom of movement at all levels of society. Our partnerships with Ford and Volkswagen are extraordinarily valuable in helping us achieve our mission.