

risks is not an indication that any such risks have occurred at the time of this filing. We do not assume any obligation to update any forward-looking statements. Table of Contents PART I ITEM 1. BUSINESS Overview We design, develop, manufacture, sell and lease high-performance fully electric vehicles and energy generation and storage systems, and offer services related to our products. We generally sell our products directly to customers, and continue to grow our customer-facing infrastructure through a global network of vehicle showrooms and service centers, Mobile Service, body shops, Supercharger stations and Destination Chargers to accelerate the widespread adoption of our products. We emphasize performance, attractive styling and the safety of our users and workforce in the design and manufacture of our products and are continuing to develop full self-driving technology for improved safety. We also strive to lower the cost of ownership for our customers through continuous efforts to reduce manufacturing costs and by offering financial and other services tailored to our products. Our mission is to accelerate the world's transition to sustainable energy. We believe that this mission, along with our engineering expertise, vertically integrated business model and focus on user experience differentiate us from other companies. Segment Information We operate as two reportable segments: (i) automotive and (ii) energy generation and storage. The automotive segment includes the design, development, manufacturing, sales and leasing of high-performance fully electric vehicles as well as sales of automotive regulatory credits. Additionally, the automotive segment also includes services and other, which includes sales of used vehicles, non-warranty maintenance services and collision, part sales, paid Supercharging, insurance services revenue and retail merchandise sales. The energy generation and storage segment includes the design, manufacture, installation, sales and leasing of solar energy generation and energy storage products and related services and sales of solar energy systems incentives. Our Products and Services Automotive We currently manufacture five different consumer vehicles – the Model 3, Y, S, X and Cybertruck. Model 3 is a four-door mid-size sedan that we designed for manufacturability with a base price for mass-market appeal. Model Y is a compact sport utility vehicle (SUV) built on the Model 3 platform with seating for up to seven adults. Model S is a four-door full-size sedan and Model X is a mid-size SUV with seating for up to seven adults. Model S and Model X feature the highest performance characteristics and longest ranges that we offer in a sedan and SUV, respectively. In November 2023, we entered the consumer pickup truck market with first deliveries of the Cybertruck, a full-size electric pickup truck with a stainless steel exterior that has the utility and strength of a truck while featuring the speed of a sports car. In 2022, we also began early production and deliveries of a commercial electric vehicle, the Tesla Semi. We have planned electric vehicles to address additional vehicle markets, and continue leveraging developments in our proprietary Full Self-Driving (FSD) (Supervised) features, including through our purpose-built Robotaxi product - Cybercab, and battery cell and other technologies. For purposes of this filing, use of the term FSD (Supervised) includes the equivalent naming convention, FSD (Capability) that is used in the European, Middle East and Asia-Pacific regions. Energy Generation and Storage Energy Storage Products Powerwall and Megapack are our lithium-ion battery energy storage products. Powerwall, which we sell directly to customers, as well as through channel partners, is designed to store energy at a home or small commercial facility. Megapack is an energy storage solution for commercial, industrial, utility and energy generation customers, multiple of which may be grouped together to form larger installations of gigawatt hours (GWh) or greater capacity. We also continue to develop software capabilities for remotely controlling and dispatching our energy storage systems across a wide range of markets and applications, including through our real-time energy control and optimization platforms. 2 Table of Contents Solar Energy Offerings We sell retrofit solar energy systems to customers and channel partners. We purchase most of the components for our retrofit solar energy systems from multiple sources to ensure competitive pricing and adequate supply. We also design and manufacture certain components for our solar energy products. We sell our Solar Roof, which combines premium glass roof tiles with energy generation, to consumers, including through channel customers. We continue to improve our installation capability and efficiency, including through collaboration with real estate developers and builders on new homes. Technology Automotive Battery and Powertrain Our core vehicle technology competencies include powertrain engineering and manufacturing and our ability to design vehicles that utilize the unique advantages of an electric powertrain. We have designed our proprietary powertrain systems to be adaptable, efficient, reliable and cost-effective while withstanding the rigors of an automotive environment. We offer dual motor powertrain vehicles, which use two electric motors to maximize traction and performance in an all-wheel drive configuration, as well as vehicle powertrain technology featuring three electric motors for further increased performance in certain versions of Model S and Model X, Cybertruck and the Tesla Semi. We maintain extensive testing and R&D capabilities for battery cells, packs and systems, and have built an expansive body of knowledge on lithium-ion cell chemistry types and performance characteristics. In order to enable a greater supply of cells for our products with higher energy density at lower costs, we have developed a new proprietary lithium-ion battery cell and improved manufacturing processes. Vehicle Control and Infotainment Software The performance and safety systems of our vehicles and their battery packs utilize sophisticated control software. Control systems in our vehicles optimize performance, customize vehicle behavior, manage charging and control all infotainment functions. We develop almost all of this software, including most of the user interfaces, internally and update our vehicles' software regularly through over-the-air updates. Self-Driving Development and Artificial Intelligence We have expertise in developing technologies, systems and software to enable self-driving vehicles using primarily vision-based technologies. Our FSD Computer runs our neural networks in our vehicles, and we are also developing additional computer hardware to better enable the massive amounts of field data captured by our vehicles to continually train and improve these neural networks for real-world performance. Currently, we offer in our vehicles certain advanced driver assist systems under our Autopilot and FSD (Supervised) options. Although at present, same as in the past, the driver is responsible for remaining fully engaged in the driving operation, our systems provide safety and convenience functionality that can relieve drivers of many tedious and potentially dangerous aspects of road travel much like the system that airplane pilots use, when conditions permit. As with other vehicle systems, we improve these functions in our vehicles over time through over-the-air software updates. In 2025, we intend to begin launching our Robotaxi business, a ride-hailing network that will eventually operate fully autonomous vehicles. We expect this business will open access to a new customer base even as modes of transportation evolve. We believe our capabilities and advancements in AI, including the deployment of Cortex, our training cluster at Gigafactory Texas, differentiates us from our competitors. We are also applying our artificial intelligence learnings from self-driving technology to the field of robotics, such as through Optimus, a robotic humanoid in development, which is controlled by the same AI system. 3 Table of Contents Energy Generation and Storage Energy Storage Products We leverage many of the component-level technologies from our vehicles in our energy storage products. By taking a modular approach to the design of battery systems, we can optimize manufacturing capacity of our energy storage products. Additionally, our expertise in power electronics enables our battery systems to interconnect with electricity grids while providing fast-acting systems for power injection and absorption. We have also developed software to remotely control and dispatch our energy storage systems. Solar Energy Systems We have engineered Solar Roof over numerous iterations to combine aesthetic appeal and durability with power generation. The efficiency of our solar energy products is aided by our own solar inverter, which incorporates our power electronics technologies. We designed both products to integrate with Powerwall. Design and Engineering Automotive We have established significant in-house capabilities in the design and test engineering of electric vehicles and their components and systems. Our team has significant experience in computer-aided design as well as durability, strength and crash test simulations, which reduces the product development time of new models. We have also achieved complex engineering feats in stamping, casting and thermal systems, and developed a method to integrate batteries directly with vehicle body structures without separate battery packs to optimize manufacturability, weight, range and cost characteristics. We are also expanding our manufacturing operations globally while taking action to localize our vehicle designs and production for particular markets, including country-specific market demands and factory optimizations for local workforces. As we increase our capabilities, particularly in the areas of automation, die-making and line-building, we are also making strides in the simulations modeling these capabilities prior to construction. Energy Generation and Storage Our expertise in electrical, mechanical, civil and software engineering allows us to design, engineer, manufacture and install energy generating and storage products and components, including at the residential through utility scale. For example, the modular design of our Megapack utility-scale battery line is intended to significantly reduce the amount of assembly required in the field. We also customize solutions including our energy storage products, solar energy systems and/or Solar Roof for customers to meet their specific needs. Sales and Marketing Historically, we have been able to achieve sales without traditional advertising and at relatively low marketing costs. We continue to monitor our public narrative and brand, and tailor our marketing efforts accordingly, including through investments in customer education and advertising as necessary. Automotive Direct Sales Our vehicle sales channels currently include our website and an international network of company-owned stores. In some jurisdictions, we also have galleries to educate and inform customers about our products, but such locations do not transact in the sale of vehicles. We believe this infrastructure enables us to better control costs of inventory, manage warranty service and pricing, educate consumers about electric vehicles, make our vehicles more affordable, maintain and strengthen the Tesla brand and obtain rapid customer feedback. We reevaluate our sales strategy both globally and at a location-by-location level from time to time to optimize our sales channels. However, sales of vehicles in the automobile industry tend to be cyclical in many markets, which may expose us to volatility from time to time. 4 Table of Contents Used Vehicle Sales Our used vehicle business supports new vehicle sales by integrating the trade-in of a customer's existing Tesla or non-Tesla vehicle with the sale of a new Tesla vehicle. The Tesla and non-Tesla vehicles we acquire as trade-ins, along with vehicles returned upon lease-end are subsequently remarketed, either directly by us or through third parties. Public Charging We have a growing global network of Tesla Superchargers, which are our industrial-grade, high-speed vehicle chargers. Where possible, we co-locate Superchargers with our solar and energy storage systems to reduce costs and promote renewable power. Supercharger stations are typically placed along well-traveled routes and in and around dense city centers to allow vehicle owners the ability to enjoy quick, reliable charging along an extensive network with convenient stops. Use of the Supercharger network either requires payment of a fee or is free under certain sales programs. In November 2021, we began to offer Supercharger access to non-Tesla vehicles in certain locations in support of our mission to accelerate the world's transition to sustainable energy, and in November 2022, we opened up our previously proprietary charging connector as the North American Charging Standard (NACS). This enables electric vehicles and charging stations to interoperate at which makes charging easier and more efficient for everyone and advances our mission to accelerate the world's transition to sustainable energy. Following this, all major automotive companies announced their adoption of NACS in certain markets, with their access to the Supercharger network beginning in phases in 2024 and their production of NACS vehicles beginning no later than 2025. We also engaged SAE International to govern NACS as an industry standard, now named J3400. We continue to monitor and increase our network of Tesla Superchargers in anticipation of future demand. We also work with a wide variety of hospitality, retail and public destinations, as well as businesses with commuting employees, to offer additional charging options for our customers, as well as single-family homeowners and multi-family residential entities, to deploy home charging solutions. In-App Upgrades As our vehicles are capable of being updated remotely over-the-air, our customers may purchase additional paid options and features through the Tesla app or through the in-vehicle user interface. We expect that this functionality will also allow us to offer certain options and features on a subscription basis in the future. Energy Generation and Storage We market and sell our solar and energy storage products to residential, commercial and industrial customers and utilities through a variety of channels, including through our website, stores and galleries, as well as through our network of channel partners, and in the case of some commercial customers, through PPA transactions. We emphasize simplicity, standardization and accessibility to make it easy and cost-effective for customers to adopt clean energy, while reducing our customer acquisition costs. Service and Warranty Automotive Service We provide service for our electric vehicles at our company-owned service locations and through Tesla Mobile Service technicians who perform work remotely at customers' homes or other locations. Servicing the vehicles ourselves allows us to identify problems and implement solutions and improvements faster than traditional automobile manufacturers and their dealer networks. The connectivity of our vehicles also allows us to diagnose and remedy many problems remotely and proactively. Vehicle Limited Warranties and Extended Service Plans We provide a manufacturer's limited warranty on all new and used Tesla vehicles we sell directly to consumers, which may include limited warranties on certain components, specific types of damage or battery capacity retention. We also currently offer optional extended service plans that provide coverage beyond the new vehicle limited warranties for certain models in specified regions. 5 Table of Contents Energy Generation and Storage We provide service and repairs to our energy product customers, including under warranty where applicable. We generally provide manufacturer's limited warranties with our energy storage products and offer certain extended limited warranties that are available at the time of purchase of the system. If we install a system, we also provide certain limited warranties on our installation workmanship. For retrofit solar energy systems, we provide separate limited warranties for workmanship and against roof leaks, and for Solar Roof, we also provide limited warranties for defects and weatherization. For components not manufactured by us, we generally pass-through the applicable manufacturers' warranties. As part of our historical solar energy system and energy storage contracts, we may provide the customer with performance guarantees that commit that the underlying system will meet or exceed the minimum energy generation or performance requirements specified in the contract. Financial Services Automotive Purchase Financing and Leases We offer leasing and/or loan financing arrangements for our vehicles in certain jurisdictions in North America, Europe and/or Asia ourselves and through various financial institutions. Under certain of such programs, we have provided resale value guarantees or buyback guarantees that may obligate us to cover a resale loss up to a certain limit or repurchase the subject vehicles at pre-determined values. Insurance In 2021, we launched our insurance product using real-time driving behavior in select states, which offers rates that are often better than other alternatives and promotes safer driving. Our insurance products are currently available in 12 states and we plan to expand the markets in which we offer insurance products, as part of our ongoing effort to decrease the total cost of ownership for our customers. Energy Generation and Storage We offer certain financing options to our residential customers, which enable the customer to purchase and own energy systems comprised of solar, Solar Roof and/or Powerwall batteries. Our solar PPAs, offered primarily to commercial customers, charge a fee per kilowatt-hour based on the amount of electricity produced by our solar energy systems. Manufacturing We currently have manufacturing facilities in the U.S. in California, New York, Texas and Nevada. At these facilities, we manufacture and assemble, among other things, vehicles, certain vehicle parts and components, such as our battery packs and battery cells, energy storage components and systems and solar products and components. Internationally, we also have manufacturing facilities in China and Germany, which allows us to increase the affordability of our vehicles for customers in local markets by reducing transportation and manufacturing costs and eliminating the impact of unfavorable tariffs. In March 2023, we announced the location of our next Gigafactory in Monterrey, Mexico. Generally, we continue to expand production capacity at our existing facilities. We also intend to further increase cost-competitiveness in our significant markets by strategically adding local manufacturing. Supply Chain Our products use thousands of parts that are sourced from hundreds of suppliers across the world. We have developed close relationships with vendors of key parts such as battery cells, electronics and complex vehicle assemblies. Certain components purchased from these suppliers are shared or are similar across many product lines, allowing us to take advantage of pricing efficiencies from economies of scale. 6 Table of Contents As is the case for some automotive companies, some of our procured components and systems are sourced from single suppliers. Where multiple sources are available for certain key components, we work to qualify multiple suppliers for them where it is sensible to do so in order to minimize potential production risks due to disruptions in their supply. We also mitigate risk by maintaining safety stock for key parts and assemblies and die banks for components with lengthy procurement lead times. Our products use various raw materials including aluminum, steel, cobalt, lithium, nickel and copper. Pricing for these materials is governed by market conditions and may fluctuate due to various factors outside of our control, such as supply and demand and market speculation. We strive to execute long-term supply contracts for such materials at competitive pricing when feasible, and we currently believe that we have adequate access to raw materials supplies to meet the needs of our operations. Governmental Programs, Incentives and Regulations Globally, the ownership of our products by our customers is impacted by various government credits, incentives, and policies. Our business and products are also subject to numerous governmental regulations that vary among jurisdictions. The operation of our business is also impacted by various government programs, incentives, and other arrangements. See Note 2, Summary of Significant Accounting Policies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for further details. Programs and Incentives Inflation Reduction Act On August 16, 2022, the Inflation Reduction Act of 2022 (IRA) was enacted into law and is effective for taxable years beginning after December 31, 2022, and remains subject to future guidance releases. The IRA includes multiple incentives to promote clean energy, electric vehicles, battery and energy storage manufacture or purchase, including through providing tax credits to consumers. For example, under current legislation, qualifying Tesla customers may receive up to \$7,500 in federal tax credits for the purchase of qualified electric vehicles in the U.S. through 2032. Automotive Regulatory Credits We earn tradable credits in the operation of our business under various regulations related to zero-emission vehicles (ZEVs), greenhouse gas, fuel economy and clean fuel. We sell these credits to other regulated entities who can use the credits to comply with emission standards and other regulatory requirements. Sales of these credits are recognized within automotive regulatory credits revenue in our consolidated statements of operations included elsewhere in this Annual Report on Form 10-K. Energy Storage System Incentives and Policies While the regulatory regime for energy storage projects is still under development, there are

various policies, incentives and financial mechanisms at the federal, state and local levels that support the adoption of energy storage. For example, energy storage systems that are charged using solar energy may be eligible for the solar energy-related U.S. federal tax credits described below. The Federal Energy Regulatory Commission (â€œFERCâ€) has also taken steps to enable the participation of energy storage in wholesale energy markets. In addition, California and a number of other states have adopted procurement targets for energy storage, and behind-the-meter energy storage systems qualify for funding under the California Self Generation Incentive Program. Our customers primarily benefit directly under these programs. In certain instances our customers may transfer such credits to us as contract consideration. In such transactions, they are included as a component of energy generation and storage revenues in our consolidated statements of operations included elsewhere in this Annual Report on Form 10-K. Pursuant to the IRA, under Sections 48, 48E and 25D of the Internal Revenue Code (â€œIRCâ€), standalone energy storage technology is eligible for a tax credit between 6% and 50% of qualified expenditures, regardless of the source of energy, which may be claimed by our customers for storage systems they purchase or by us for arrangements where we own the systems. These tax credits are primarily for the benefit of our customers and are currently scheduled to phase-out starting in 2032 or later. 7Table of ContentsSolar Energy System Incentives and PoliciesU.S. federal, state and local governments have established various policies, incentives and financial mechanisms to reduce the cost of solar energy and to accelerate the adoption of solar energy. These incentives include tax credits, cash grants, tax abatements and rebates. In particular, pursuant to the IRA, Sections 48, 48E and 25D of the IRC provides a tax credit between 6% and 70% of qualified commercial or residential expenditures for solar energy systems, which may be claimed by our customers for systems they purchase, or by us for arrangements where we own the systems for properties that meet statutory requirements. These tax credits are primarily for the direct benefit of our customers and are currently scheduled to phase-out starting in 2032 or later. RegulationsVehicle Safety and TestingIn the U.S., our vehicles are subject to regulation by the National Highway Traffic Safety Administration (â€œNHTSAâ€), including all applicable Federal Motor Vehicle Safety Standards (â€œFMVSSâ€) and the NHTSA bumper standard. Numerous FMVSS apply to our vehicles, such as crash-worthiness and occupant protection requirements. Our current vehicles fully comply and we expect that our vehicles in the future will fully comply with all applicable FMVSS with limited or no exemptions; however, FMVSS are subject to change from time to time. As a manufacturer, we must self-certify that our vehicles meet all applicable FMVSS and the NHTSA bumper standard, or otherwise are exempt, before the vehicles may be imported or sold in the U.S. We are also required to comply with other federal laws administered by NHTSA, including the Corporate Average Fuel Economy standards, Theft Prevention Act requirements, labeling requirements and other information provided to customers in writing. Early Warning Reporting requirements regarding warranty claims, field reports, death and injury reports and foreign recalls, a Standing General Order requiring reports regarding certain crashes involving vehicles equipped with advanced driver assistance systems, and additional requirements for cooperating with compliance and safety investigations and recall reporting. The U.S. Automobile Information and Disclosure Act also requires manufacturers of motor vehicles to disclose certain information regarding the manufacturerâ€™s suggested retail price, optional equipment and pricing. In addition, federal law requires inclusion of fuel economy ratings, as determined by the U.S. Department of Transportation and the Environmental Protection Agency (the â€œEPAâ€), and New Car Assessment Program ratings as determined by NHTSA, if available. Our vehicles sold outside of the U.S. are subject to similar foreign compliance, safety, environmental and other regulations. Many of those regulations are different from those applicable in the U.S. and may require redesign and/or retesting. Some of those regulations impact or prevent the rollout of new vehicle features. Self-Driving VehiclesGenerally, laws pertaining to self-driving vehicles are evolving globally, and in some cases may create restrictions on features or vehicle designs that we develop. While there are currently no federal U.S. regulations pertaining specifically to self-driving vehicles or self-driving equipment, NHTSA has published recommended guidelines on self-driving vehicles, apart from the FMVSS and manufacturer reporting obligations, and retains the authority to investigate and/or take action on the safety or compliance of any vehicle, equipment or features operating on public roads. Certain U.S. states also have legal restrictions on the operation, registration or licensure of self-driving vehicles, and many other states are considering them. This regulatory patchwork increases the legal complexity with respect to self-driving vehicles in the U.S. In markets that follow the regulations of the United Nations Economic Commission for Europe (â€œECE marketsâ€), some requirements restrict the design of advanced driver-assistance or self-driving features, which can compromise or prevent their use entirely. Other applicable laws, both current and proposed, may hinder or complicate the path and timeline to introducing self-driving vehicles for sale and use in the markets where they apply. Other key markets, including China, continue to consider self-driving regulation. Any implemented regulations may differ materially from the U.S. and ECE markets, which may further increase the legal complexity of self-driving vehicles and limit or prevent certain features.8Table of ContentsAutomobile Manufacturer and Dealer RegulationIn the U.S., state laws regulate the manufacture, distribution, sale and service of automobiles, and generally require motor vehicle manufacturers and dealers to be licensed in order to sell vehicles directly to residents. Certain states have asserted that the laws in such states do not permit automobile manufacturers to be licensed as dealers or to act in the capacity of a dealer, or that they otherwise restrict a manufacturerâ€™s ability to deliver or perform warranty repairs on vehicles. To sell vehicles to residents of states where we are not licensed as a dealer, we generally conduct the sale out of the state. In certain such states, we have opened â€œgalleriesâ€ that serve an educational purpose and where sales may not occur. Some automobile dealer trade associations have both challenged the legality of our operations in court and used administrative and legislative processes to attempt to prohibit or limit our ability to operate existing stores or expand to new locations. Certain dealer associations have also actively lobbied state licensing agencies and legislators to interpret existing laws or enact new laws in ways not favorable to our ownership and operation of our own retail and service locations. We expect such challenges to continue, and we intend to actively fight any such efforts. Battery Safety and TestingOur battery packs are subject to various U.S. and international regulations that govern transport of â€œdangerous goods,â€ defined to include lithium-ion batteries, which may present a risk in transportation. We conduct testing to demonstrate our compliance with such regulations. We use lithium-ion cells in our high voltage battery packs in our vehicles and energy storage products. The use, storage and disposal of our battery packs are regulated under existing laws and are the subject of ongoing regulatory changes that may add additional requirements in the future. We have agreements with third party battery recycling companies to recycle our battery packs, and we are also piloting our own recycling technology. Solar Energyâ€ GeneralWe are subject to certain state and federal regulations applicable to solar and battery storage providers and sellers of electricity. To operate our systems, we enter into standard interconnection agreements with applicable utilities. Sales of electricity and non-sale equipment leases by third parties, such as our leases and PPAs, have faced regulatory challenges in some states and jurisdictions. Solar Energyâ€ Net MeteringMost states in the U.S. make net energy metering, or net metering, available to solar customers. Net metering typically allows solar customers to interconnect their solar energy systems to the utility grid and offset their utility electricity purchases by receiving a bill credit for excess energy generated by their solar energy system that is exported to the grid. In certain jurisdictions, regulators or utilities have reduced or eliminated the benefit available under net metering or have proposed to do so. CompetitionAutomotiveThe worldwide automotive market is highly competitive and we expect it will become even more competitive in the future as a significant and growing number of established and new automobile manufacturers, as well as other companies, have entered, or are reported to have plans to enter the electric vehicle market. We believe that our vehicles compete in the market based on both their traditional segment classification as well as their propulsion technology. For example, Cybertruck competes with other pickup trucks, Model S and Model X compete primarily with premium sedans and premium SUVs and Model 3 and Model Y compete with small to medium-sized sedans and compact SUVs, all of which are extremely competitive markets. Competing products typically include internal combustion vehicles from more established automobile manufacturers; however, many established and new automobile manufacturers have entered or have announced plans to enter the market for electric and other alternative fuel vehicles. Overall, we believe these announcements and vehicle introductions promote the development of the electric vehicle market by highlighting the attractiveness of electric vehicles relative to internal combustion vehicles. Many major automobile manufacturers have electric vehicles available today in major markets including the U.S., China and Europe, and other current and prospective automobile manufacturers are also developing electric vehicles. In addition, several manufacturers offer hybrid vehicles, including plug-in versions. 9Table of ContentsWe believe that there is also increasing competition for our vehicle offerings as a platform for delivering self-driving technologies, charging solutions and other features and services, and we expect to compete in this developing market through continued progress on our Autopilot, FSD (Supervised) and neural network capabilities, Supercharger network and our infotainment offerings. Energy Generation and StorageEnergy Storage SystemsThe market for energy storage products is also highly competitive, and both established and emerging companies have introduced products that are similar to our product portfolio or that are alternatives to the elements of our systems. We compete with these companies based on price, energy density and efficiency. We believe that the specifications and features of our products, our strong brand and the modular, scalable nature of our energy storage products give us a competitive advantage in our markets. Solar Energy SystemsThe primary competitors to our solar energy business are the traditional local utility companies that supply energy to our potential customers. We compete with these traditional utility companies primarily based on price and the ease by which customers can switch to electricity generated by our solar energy systems. We also compete with solar energy companies that provide products and services similar to ours. Many solar energy companies only install solar energy systems, while others only provide financing for these installations. We believe we have a significant expansion opportunity with our offerings and that the regulatory environment is increasingly conducive to the adoption of renewable energy systems. Intellectual PropertyWe place a strong emphasis on our innovative approach and proprietary designs which bring intrinsic value and uniqueness to our product portfolio. As part of our business, we seek to protect the underlying intellectual property rights of these innovations and designs such as with respect to patents, trademarks, copyrights, trade secrets, confidential information and other measures, including through employee and third-party nondisclosure agreements and other contractual arrangements. For example, we place a high priority on obtaining patents to provide the broadest and strongest possible protection to enable our freedom to operate our innovations and designs across all of our products and technologies as well as to protect and defend our product portfolio. We have also adopted a patent policy in which we irrevocably pledged that we will not initiate a lawsuit against any party for infringing our patents through activity relating to electric vehicles or related equipment for so long as such party is acting in good faith. We made this pledge in order to encourage the advancement of a common, rapidly-evolving platform for electric vehicles, thereby benefiting ourselves, other companies making electric vehicles and the world. Environmental, Social and Governance (ESG) and Human Capital ResourcesESGThe very purpose of Tesla's existence is to accelerate the world's transition to sustainable energy. We believe the world cannot reduce carbon emissions without addressing both energy generation and consumption, and we are designing and manufacturing a complete energy and transportation ecosystem to achieve this goal. As we expand, we are building each new factory to be more efficient and sustainably designed than the previous one, including with respect to per-unit waste reduction and resource consumption, including water and energy usage. We are focused on further enhancing sustainability of operations outside of our direct control, including reducing the carbon footprint of our supply chain. We are committed to sourcing only responsibly produced materials, and our suppliers are required to provide evidence of management systems that ensure social, environmental and sustainability best practices in their own operations, as well as to demonstrate a commitment to responsible sourcing into their supply chains. We have a zero-tolerance policy when it comes to child or forced labor and human trafficking by our suppliers and we look to the Organization for Economic Co-operation and Development Due Diligence Guidelines to inform our process and use feedback from our internal and external stakeholders to find ways to continually improve. We are also driving safety in our own factories by focusing on worker engagement. Our incidents per vehicle continue to drop even as our production volumes increase. We also strive to be an employer of choice by offering compelling, impactful jobs with best in-industry benefits. 10Table of ContentsWe believe that sound corporate governance is critical to helping us achieve our goals, including with respect to ESG. We continue to evolve a governance framework that exercises appropriate oversight of responsibilities at all levels throughout the company and manages its affairs consistent with high principles of business ethics. Our Sustainability and Impact team, in conjunction with leaders from across our Company, regularly presents to our Board of Directors, which oversees our ESG impacts, initiatives and priorities. Human Capital Resources Teslaâ€™s ability to attract, develop and retain a talented workforce is a competitive advantage. During the past year, Tesla provided its workforce with opportunities to contribute to its mission and grow professionally, earning Tesla among the Top 100 Employers of Choice in the 2024 American Opportunity Index. As of December 31, 2024, our employee headcount worldwide was 125,665. Employees can participate in Tesla stock ownership programs (of which 92% have been given the opportunity to as part of their total rewards package), while accessing industry-leading benefits, such as free counseling, paid parental leave, paid time off, company sponsored 401(k) plans, no cost fertility and adoption programs and zero-premium medical plan options that are made available on the first day of employment. We hire, evaluate and promote employees based on their skills and performance. In 2024, over 13,000 of our employees worldwide, 80% of whom represent Teslaâ€™s frontline workforce, took advantage of opportunities to advance their career within the Company. As of this report, more than two-thirds (68%) of our managers have been promoted from internal, non-managerial positions, and 45% of our management team has been with Tesla for over five years. Tesla cultivates an environment that recognizes employee wins and impacts. We enhance everyday recognition by spotlighting employees and empowering them to recognize each otherâ€™s successes. We inform and engage employees to help foster a connected Tesla experience that supports the business. To enable employee performance, we provide opportunities for them to learn and grow, including: Internships & Fellowshipsâ€ Professional Internships â€“ Every year, Tesla hires approximately 4,000 university and community college students globally for internships across all business groups. We partner with campuses and student organizations to build a high-quality pipeline of talent, particularly individuals passionate about sustainable energy and autonomy. From day one, our interns contribute to meaningful projects, often times leading to full-time positions upon completion of their internships. â€“ Military Fellowship Program â€“ Tesla's Fellowship program, in partnership with the U.S. Chamber of Commerce Foundationâ€™s Hire Our Heroes, offers exiting military service members corporate industry experience during their transition in service. The program aims to convert high-performing individuals to full-time roles and create a veteran talent pipeline for opportunities across Tesla North America. Development Programsâ€ Manufacturing Development Program â€“ Tesla's global manufacturing pathway programs are designed to provide graduating high school seniors and early career individuals with the financial resources, coursework and experience they need to start a successful manufacturing career at Tesla. Through 2024, Tesla expanded the program to new campuses and hired over 800 graduates with a goal for continued growth. In 2025, Tesla plans to hire over 1,000 participants across our factories. â€“ Supervisor Professional Program â€“ The Supervisor program is designed for industrial foremen that provides employees the opportunity to develop expertise in their field. Across a 16-month period, employees take comprehensive coursework in the fields of technology, law, organization and personnel management. In 2024, our employees became people leaders in the fields of metal production and electrical technology. 11Table of Contentsâ€ Engineering Development Program â€“ Launched 2024, the program focuses on developing recent college and university graduates for specialized engineering fields. In partnership with local education partners, the program educates early-career engineers in controls engineering, enhancing their knowledge of high-demand technologies for manufacturing. Educational Programsâ€ Education Assistance Program - Tesla's Education Assistance Program offers employees access to tuition-free and partially funded learning opportunities, including degrees for in-demand careers, short-form certificates and programs for high-school completion or English-language learning. Launched in February 2024, the program has provided funding to 5,436 actively enrolled learners and 1,338 graduates acquiring valuable skills in manufacturing, engineering, artificial intelligence, supply chain management and leadership. The program partners with top-ranked online institutions and local colleges offering both flexible self-paced learning options and in-person applied training. â€“ FlexLearn and Dual Study Program â€“ The FlexLearn and Dual Study Program provides employees opportunities to pursue their educational goals across Europe. FlexLearn allows our employees to further develop with tailored training that aligns with the needs of our factories. The Dual Study Program combines theoretical knowledge with practical experience. Graduates of the program receive industry related degrees. Technical Programsâ€ Apprenticeships â€“ The Tesla Apprenticeships are multi-year global programs combining academic and on-the-job training, that prepares specialists in skilled trades. Apprentices complete 2,000 - 8,000 hours of on-the-job training alongside courses at local education partners throughout our manufacturing and service locations. The program ensures that graduates are well-qualified technicians, ready to support our teams. â€“ Technician Trainee (Service and Collision) â€“ The Tesla Technician Trainee Program provides on-the-job automotive maintenance and collision training at Teslaâ€™s Service Centers. The program is targeted at individuals currently enrolled in a school automotive or collision program and recent graduates with limited industry experience. In 2024, Tesla hired trainees across North America, EMEA and APAC. â€“ Future Talent Traineeship â€“ The Flagship entry-level rotational program was piloted in the United Kingdom and Ireland. Trainees have the unique opportunity to experience all key aspects of service, sales and delivery within a single 12-month program, before making an informed decision on which career path they'd like to specialize in full-time upon completion. The program is ideal for exploring careers within Teslaâ€™s service team. â€“ START (Manufacturing and Service) â€“ Tesla START is an intensive training program that equips individuals with the skills needed for a successful technician role at Tesla. We partner with colleges to integrate Tesla START into automotive and manufacturing classroom locations. In 2024,

Tesla START expanded to 14 campuses and hired over 400 technicians.Tesla is committed to providing a workplace where employees feel respected, satisfied and appreciated. Our policies are designed to promote fairness and respect for everyone. We actively support the hiring, retention and advancement of exceptional talent, including but not limited to veterans, disabled veterans and individuals with disabilities. As of December 31, 2024, in the US, 2.3% of our employees are veterans or active-duty military personnel, 3.3% of our employees are identify as individuals with disabilities and 1.2% of our employees identify as veterans or active-duty military personnel with disabilities. Our military partnerships and development programs noted above help to directly and indirectly support these employees. At Tesla, our employees' passion is what powers our mission. Everyone is expected to be trustworthy, demonstrate excellence in their performance and collaborate with others. Our factories, offices, stores and service centers are places where our employees have opportunities to enhance their skills and gain experience, which is essential for Tesla's growth. 12Table of ContentsWith this in mind, we will not tolerate certain behaviors. These include harassment, retaliation, violence, intimidation and discrimination of any kind based on any protected category or action. Anti-harassment training is provided to all new hires on their first day of orientation, ensuring that all employees are equipped with the knowledge and tools to maintain a respectful environment. For leaders, anti-harassment training is reinforced on an ongoing basis to promote consistent leadership standards and reinforce organizational values.In addition to anti-harassment training, we offer a range of leadership development programs throughout the year to further enhance leaders' skills. These programs are designed to help leaders manage teams, communicate effectively, drive a culture of accountability and resolve disputes. At Tesla, we listen to our employees. Our engagement strategy is to listen, act and report back to employees on progress. Pulse, Tesla's semiannual employee survey, aims to capture the employee experience and generated 86% global participation. The crucial feedback garnered from these efforts helps shape Tesla's future goals, plans and projects.The safety and health of our employees is a core value. Everyone across Tesla works to ensure a healthy and safe workplace. Employees are encouraged to speak up regarding misconduct or safety concerns and can do so by contacting the integrity line, submitting concerns through our Take Charge process, or notifying their Human Resource Partner or any member of management. Concerns are reviewed in accordance with established protocols by investigators with expertise, who also review for trends and outcomes for remediation and appropriate controls. Responding to questions timely is key so Human Resource Partners for each functional area are visible throughout facilities and engaging employees. Our Compensation Committee generally oversees our human capital management strategy, and regularly receives updates and reviews certain management practices related to Tesla's talent, including how Tesla recruits, develops and retains excellent talent. The Committee directly interacts and engages with members of Tesla's management, including members from the human resources, compliance and legal teams to review and evaluate people-related initiatives, employee feedback, risks and opportunities. The Committee also monitors developments in human capital management practices and recommends revisions to Company policies and practices as appropriate. Tesla aspires to do the right thing, and we are constantly looking for ways to do better. Available InformationWe file or furnish periodic reports and amendments thereto, including our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, proxy statements and other information with the SEC. In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically. Our website is located at www.tesla.com, and our reports, amendments thereto, proxy statements and other information are also made available, free of charge, on our investor relations website at ir.tesla.com as soon as reasonably practicable after we electronically file or furnish such information with the SEC. The information posted on our website is not incorporated by reference into this Annual Report on Form 10-K. ITEM 1A. RISK FACTORS You should carefully consider the risks described below together with the other information set forth in this report, which could materially affect our business, financial condition and future results. The risks described below are not the only risks facing our company. Risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and operating results. Risks Related to Our Ability to Grow Our BusinessWe may experience delays in launching and ramping the production of our products and features, or we may be unable to control our manufacturing costs.We have previously experienced and may in the future experience launch and production ramp delays for new products and features. For example, we encountered unanticipated supplier issues that led to delays during the initial ramp of our first Model X and experienced challenges with a supplier and with ramping full automation for certain of our initial Model 3 manufacturing processes. In addition, we may introduce in the future new or unique manufacturing processes and design features for our products. As we expand our vehicle offerings and global footprint, there is no guarantee that we will be able to successfully and timely introduce and scale such processes or features. 13Table of ContentsIn particular, our future business depends in large part on increasing the production of mass-market vehicles. In order to be successful, we will need to implement, maintain and ramp efficient and cost-effective manufacturing capabilities, processes and supply chains and achieve the design tolerances, high quality and output rates we have planned at our manufacturing facilities in California, Nevada, Texas, China, Germany and any future sites such as Mexico. We will also need to hire, train and compensate skilled employees to operate these facilities. Bottlenecks and other unexpected challenges such as those we experienced in the past may arise during our production ramps, and we must address them promptly while continuing to improve manufacturing processes and reducing costs. If we are not successful in achieving these goals, we could face delays in establishing and/or sustaining our product ramps or be unable to meet our related cost and profitability targets. We have experienced, and may also experience similar future delays in launching and/or ramping production of our energy storage products and Solar Roof, new product versions or variants, new vehicles, and future products, features and services based on artificial intelligence. Likewise, we may encounter delays with the design, construction and regulatory or other approvals necessary to build and bring online future manufacturing facilities and products. In addition, as we continue to develop our artificial intelligence services and products, we may face many additional challenges, including the availability and cost of energy, processing power limitations and the substantial power requirements for our data centers.Any delay or other complication in ramping the production of our current products or the development, manufacture, launch and production ramp of our future products, features and services, or in doing so cost-effectively and with high quality, may harm our brand, business, prospects, financial condition and operating results. Our suppliers may fail to deliver components according to schedules, prices, quality and volumes that are acceptable to us, or we may be unable to manage these components effectively. Our products contain thousands of parts purchased globally from hundreds of suppliers, including single-source direct suppliers, which exposes us to multiple potential sources of component shortages. Unexpected changes in business conditions, materials pricing, including inflation of raw material costs, labor issues, wars, trade policies, natural disasters, health epidemics, trade and shipping disruptions, port congestions, cyberattacks and other factors beyond our or our suppliers' control could also affect these suppliers' ability to deliver technologies or components to us or to remain solvent and operational. Additionally, if our suppliers do not accurately forecast and effectively allocate production or if they are not willing to allocate sufficient production to us, or face other challenges such as insolvency, it may reduce our access to components and require us to search for new suppliers. The unavailability of any component or supplier could result in production delays, idle manufacturing facilities, product design changes and loss of access to important technology and tools for producing and supporting our products, as well as impact our capacity expansion and our ability to fulfill our obligations under customer contracts. Moreover, significant increases in our production or product design changes by us have required and may in the future require us to procure additional components in a short amount of time. We have faced in the past, and may face suppliers who are unwilling or unable to sustainably meet our timelines or our cost, quality and volume needs, which may increase our costs or require us to replace them with other sources. Finally, as we construct new manufacturing facilities and add production lines to existing facilities, we may experience issues in correspondingly increasing the level of localized procurement at those facilities. While we believe that we will be able to secure additional or alternate sources or develop our own replacements for most of our components, there is no assurance that we will be able to do so quickly or at all. Additionally, we may be unsuccessful in our continuous efforts to negotiate with existing suppliers to obtain cost reductions and avoid unfavorable changes to terms, source less expensive suppliers for certain parts and redesign certain parts to make them less expensive to produce, especially in the case of increases in materials pricing. Any of these occurrences may harm our business, prospects, financial condition and operating results. As the scale of our vehicle production increases, we will also need to accurately forecast, purchase, warehouse and transport components at high volumes to our manufacturing facilities and servicing locations internationally. If we are unable to accurately match the timing and quantities of component purchases to our actual needs or successfully implement automation, inventory management and other systems to accommodate the increased complexity in our supply chain and parts management, we may incur unexpected production disruption, storage, transportation and write-off costs, which may harm our business and operating results. We may be unable to meet our projected construction timelines, costs and production ramps at new factories, or we may experience difficulties in generating and maintaining demand for products manufactured there. Our ability to increase production of our vehicles on a sustained basis, make them affordable globally by accessing local supply chains and workforces and streamline delivery logistics is dependent on the construction and ramp of our current and future factories. The construction of and commencement and ramp of production at these factories are subject 14Table of Contentsto a number of uncertainties inherent in all new manufacturing operations, including ongoing compliance with regulatory requirements, procurement and maintenance of construction, environmental and operational licenses and approvals for additional expansion, supply chain constraints, hiring, training and retention of qualified employees and the pace of bringing production equipment and processes online with the capability to manufacture high-quality units at scale. Moreover, we will have to establish and ramp production of our proprietary battery cells and packs at our new factories, and we additionally intend to incorporate sequential design and manufacturing changes into vehicles manufactured at each new factory. If we experience any issues or delays in meeting our projected timelines, costs, capital efficiency and production capacity for our new factories, expanding and managing teams to implement iterative design and production changes there, maintaining and complying with the terms of any debt financing that we obtain to fund them or generating and maintaining demand for the vehicles we manufacture there, our business, prospects, operating results and financial condition may be harmed. We may be unable to grow our global product sales, delivery and installation capabilities and our servicing and vehicle charging networks, or we may be unable to accurately project and effectively manage our growth. Our success will depend on our ability to continue to expand our sales capabilities. We are targeting a global mass demographic with a broad range of potential customers, in which we have relatively limited experience projecting demand and pricing our products. We currently produce numerous international variants at a limited number of factories, and if our specific demand expectations for these variants prove inaccurate, we may not be able to timely generate deliveries matched to the vehicles that we produce in the same timeframe or that are commensurate with the size of our operations in a given region. Likewise, as we develop and grow our energy products and services worldwide, our success will depend on our ability to correctly forecast demand in various markets. Because we do not have independent dealer networks, we are responsible for delivering all of our vehicles to our customers. As our production volumes continue to grow, we have faced in the past, and may face challenges with deliveries at increasing volumes, particularly in international markets requiring significant transit times. We have also deployed a number of delivery models, such as deliveries to consumers' homes and workplaces and touchless deliveries, but there is no guarantee that such models will be scalable or be accepted globally. Likewise, as we ramp our energy products, we are working to substantially increase our production and installation capabilities. If we experience production delays or inaccurately forecast demand, our business, financial condition and operating results may be harmed. Moreover, because of our unique expertise with our vehicles, we recommend that our vehicles be serviced by us or by certain authorized professionals. If we experience delays in adding servicing capacity or servicing our vehicles efficiently, or experience unforeseen issues with the reliability of our vehicles, particularly higher-volume additions to our fleet such as Model 3 and Model Y, it could overburden our servicing capabilities and parts inventory. Similarly, the increasing number of Tesla vehicles also requires us to continue to rapidly increase the number of our Supercharger stations and connectors throughout the world. There is no assurance that we will be able to ramp our business to meet our sales, delivery, installation, servicing and vehicle charging targets globally, that our projections on which such targets are based will prove accurate or that the pace of growth or coverage of our customer infrastructure network will meet customer expectations. These plans require significant cash investments and management resources and there is no guarantee that they will generate additional sales or installations of our products, or that we will be able to avoid cost overruns or be able to hire additional personnel to support them. As we expand, we will also need to ensure our compliance with regulatory requirements in various jurisdictions applicable to the sale, installation and servicing of our products, the sale or dispatch of electricity related to our energy products and the operation of Superchargers. If we fail to manage our growth effectively, it may harm our brand, business, prospects, financial condition and operating results. We will need to maintain and significantly grow our access to battery cells, including through the development and manufacture of our own cells, and control our related costs. We are dependent on the continued supply of lithium-ion battery cells for our vehicles and energy storage products, and we will require substantially more cells to grow our business according to our plans. Currently, we rely on suppliers such as Panasonic and Contemporary Amperex Technology Co. Limited (CATL) for these cells. We have to date fully qualified only a very limited number of such suppliers and have limited flexibility in changing suppliers. Any disruption in the supply of battery cells from our suppliers could limit production of our vehicles and energy storage products. In the long term, we intend to supplement cells from our suppliers with cells manufactured by us, which we believe will be more efficient, manufacturable at greater volumes and more cost-effective than currently available cells. However, our efforts to develop and manufacture such battery cells have required, and may continue to require, significant investments, and there can be no assurance that we will be able to achieve these targets in the timeframes that we have planned or at all. If we are 15Table of Contentsto do so, we may have to curtail our planned vehicle and energy storage product production or procure additional cells from suppliers at potentially greater costs, either of which may harm our business and operating results. In addition, the cost and mass production of battery cells, whether manufactured by our suppliers or by us, depends in part upon the prices and availability of raw materials such as lithium, nickel, cobalt and/or other metals. The prices for these materials fluctuate and their available supply may be unstable, depending on market conditions and global demand for these materials. For example, as a result of increased global production of electric vehicles and energy storage products, suppliers of these raw materials may be unable to meet our volume needs. Additionally, our suppliers may not be willing or able to reliably meet our timelines or our cost and quality needs, which may require us to replace them with other sources. Any reduced availability of these materials may impact our access to cells and our growth, and any increases in their prices may reduce our profitability if we cannot recoup such costs through increased prices. Moreover, our inability to meet demand and any product price increases may harm our brand, growth, prospects and operating results. Our future growth and success are dependent upon consumers' demand for electric vehicles and specifically our vehicles in an automotive industry that is generally competitive, cyclical and volatile. Though we continue to see increased interest and adoption of electric vehicles, if the market for electric vehicles in general and Tesla vehicles in particular does not develop as we expect, develops more slowly than we expect, or if demand for our vehicles decreases in our markets or our vehicles compete with each other, our business, prospects, financial condition and operating results may be harmed. In addition, electric vehicles still constitute a small percentage of overall vehicle sales. As a result, the market for our vehicles could be negatively affected by numerous factors, such as: perceptions about electric vehicle features, quality, safety, performance and cost; perceptions about the limited range over which electric vehicles may be driven on a single battery charge, and access to charging facilities; competition, including from other types of alternative fuel vehicles, plug-in hybrid electric vehicles and high fuel-economy internal combustion engine vehicles; volatility in the cost of oil, gasoline and energy; government regulations and economic incentives and conditions; and concerns about our future viability. The target demographics for our vehicles are highly competitive. Sales of vehicles in the automotive industry tend to be cyclical in many markets, which may expose us to further volatility. We also cannot predict the duration or direction of current global trends or their sustained impact on consumer demand. Ultimately, we continue to monitor macroeconomic conditions to remain flexible and to optimize and evolve our business as appropriate, and attempt to accurately project demand and infrastructure requirements globally and deploy our production, workforce and other resources accordingly. Rising interest rates may lead to consumers to increasingly pull back spending, including on our products, which may harm our demand, business and operating results. If we experience unfavorable global market conditions, or if we cannot or do not maintain operations at a scope that is commensurate with such conditions or are later required to or choose to suspend such operations again, our business, prospects, financial condition and operating results may be harmed. We face strong competition for our products and services from a growing list of established and new competitors. The worldwide automotive market is highly competitive today and we expect it will become even more so in the future. A significant and growing number of established and new automobile manufacturers, as well as other companies, have entered, or are reported to have plans to enter, the market for electric and other alternative fuel vehicles, including hybrid, plug-in hybrid and fully electric vehicles, as well as the market for self-driving technology and other vehicle applications and software platforms. In some cases, our competitors offer or will offer electric vehicles in important markets such as China and Europe, and/or have announced an intention to produce electric vehicles exclusively at some point in the future. In addition, certain government and economic incentives which provide benefits to manufacturers who assemble domestically or

have local suppliers, may provide a greater benefit to our competitors, which could negatively impact our profitability. Many of our competitors have significantly more or better-established resources than we do to devote to the design, development, manufacturing, distribution, promotion, sale and support of their products. Increased competition could result in our lower vehicle unit sales, price reductions, revenue shortfalls, loss of customers and loss of market share, which may harm our business, financial condition and operating results.16Table of ContentsWe also face competition in our energy generation and storage business from other manufacturers, developers, installers and service providers of competing energy technologies, as well as from large utilities. In addition, decreases in the retail or wholesale prices of electricity from utilities or other renewable energy sources could make our products less attractive to customers and lead to an increased rate of customer defaults. Risks Related to Our OperationsWe may experience issues with lithium-ion cells or other components manufactured at our Gigafactories, which may harm the production and profitability of our vehicle and energy storage products. Our plan to grow the volume and profitability of our vehicles and energy storage products depends on significant lithium-ion battery cell production, including by our partner Panasonic at Gigafactory Nevada. We also produce several vehicle components at our Gigafactories, such as battery modules and packs and drive units, and manufacture energy storage products. If we are unable to or otherwise do not maintain and grow our respective operations, or if we are unable to do so cost-effectively or hire and retain highly-skilled personnel there, our ability to manufacture our products profitably would be limited, which may harm our business and operating results. Finally, the high volumes of lithium-ion cells and battery modules and packs manufactured by us and by our suppliers are stored and recycled at our various facilities. Any mishandling of these products may cause disruption to the operation of such facilities. While we have implemented safety procedures related to the handling of the cells, there can be no assurance that a safety issue or fire related to the cells would not disrupt our operations. Any such disruptions or issues may harm our brand and business. We face risks associated with maintaining and expanding our international operations, including unfavorable and uncertain regulatory, political, economic, tax and labor conditions. We are subject to legal and regulatory requirements, political uncertainty and social, environmental and economic conditions in numerous jurisdictions, including markets in which we generate significant sales, over which we have little control and which are inherently unpredictable. Our operations in such jurisdictions, particularly as a company based in the U.S., with additional manufacturing operations in China and Europe, create risks relating to conforming our products to regulatory and safety requirements and charging and other electric infrastructures; organizing local operating entities; establishing, staffing and managing foreign business locations; attracting local customers; navigating foreign government taxes, regulations and permit requirements; enforceability of our contractual rights; trade restrictions, customs regulations, tariffs and price or exchange controls; and preferences in foreign nations for domestically manufactured products. For example, we monitor tax legislation changes on a global basis, including changes arising as a result of the Organization for Economic Cooperation and Development's multi-jurisdictional plan of action to address base erosion and profit shifting. Such conditions may increase our costs, impact our ability to sell our products and require significant management attention, and may harm our business if we are unable to manage them effectively. Our business may suffer if our products or features contain defects, fail to perform as expected or take longer than expected to become fully functional. If our products contain design or manufacturing defects, whether relating to our software or hardware, that cause them not to perform as designed or intended or that require repair, or certain features of our vehicles such as new Autopilot or FSD (Supervised) features take longer than expected to become enabled, are legally restricted or become subject to onerous regulation, our ability to develop, market and sell our products and services may be harmed, and we may experience delivery delays, product recalls, allegations of product liability, breach of warranty and related consumer protection claims and significant warranty and other expenses. While we are continuously working to develop and improve our products' capability and performance, there is no guarantee that any incremental changes in the specific software or equipment we deploy in our vehicles over time will not result in initial functional disparities from prior iterations or will perform as forecast in the timeframe we anticipate, or at all. Although we attempt to remedy any issues we observe in our products as effectively and rapidly as possible, such efforts may not be timely, may hamper production or may not completely satisfy our customers. We have performed, and continue to perform, extensive internal testing on our products and features, though, like the rest of the industry, we currently have a limited frame of reference by which to evaluate certain aspects of their long-term quality, reliability, durability and performance characteristics, including exposure to or consequence of external attacks. While we attempt to identify and address or remedy defects we identify pre-production and sale, there may be latent defects that we may be unable to detect or control for in our products, and thereby address, prior to their sale to or installation for customers.17Table of ContentsWe may be required to defend or insure against product liability claims. The automobile industry generally experiences significant product liability claims, and as such we face the risk of such claims in the event our vehicles do not perform or are claimed to not have performed as expected. As is true for other automakers, our vehicles have been involved and we expect in the future will be involved in accidents resulting in death or personal injury, and such accidents where Autopilot, Enhanced Autopilot or FSD (Supervised) features are engaged are the subject of significant public attention, especially in light of NHTSA's Standing General Order requiring reports regarding certain crashes involving vehicles with advanced driver assistance systems. We have experienced, and we expect to continue to face, claims and regulatory scrutiny arising from or related to misuse or claimed failures or alleged misrepresentations of such new technologies that we are pioneering. In addition, the battery packs that we produce make use of lithium-ion cells. On rare occasions, lithium-ion cells can rapidly release the energy they contain by venting smoke and flames in a manner that can ignite nearby materials as well as other lithium-ion cells. While we have designed our battery packs to passively contain any single cell's release of energy without spreading to neighboring cells, there can be no assurance that a field or testing failure of our vehicles or other battery packs that we produce will not occur, in particular due to a high-speed crash. Likewise, as our solar energy systems and energy storage products generate and store electricity, they have the potential to fail or cause injury to people or property. Any product liability claim may subject us to lawsuits and substantial monetary damages, product recalls or redesign efforts, and even a meritless claim may require us to defend it, all of which may generate negative publicity and be expensive and time-consuming. In most jurisdictions, we generally self-insure against the risk of product liability claims for vehicle exposure, meaning that any product liability claims will likely have to be paid from company funds and not by insurance. We will need to maintain public credibility and confidence in our long-term business prospects in order to succeed. In order to maintain and grow our business, we must maintain credibility and confidence among customers, suppliers, analysts, investors, ratings agencies and other parties in our long-term financial viability and business prospects. Maintaining such confidence may be challenging due to our limited operating history relative to established competitors; customer unfamiliarity with our products; any delays we may experience in scaling manufacturing, delivery and service operations to meet demand; competition and uncertainty regarding the future of electric vehicles or our other products and services; our quarterly production and sales performance compared with market expectations; and other factors including those over which we have no control. In particular, Tesla's products, business, results of operations, and statements and actions of Tesla and its management are subject to significant amounts of commentary by a range of third parties. Such attention can include criticism, which may be exaggerated or unfounded, such as speculation regarding the sufficiency or stability of our management team. Any such negative perceptions, whether caused by us or not, may harm our business and make it more difficult to raise additional funds if needed. We may be unable to effectively grow, or manage the compliance, residual value, financing and credit risks related to, our various financing programs. We offer financing arrangements for our vehicles in North America, Europe and Asia primarily ourselves and through various financial institutions. We also currently offer vehicle financing arrangements directly through our local subsidiaries in certain markets. Depending on the country, such arrangements are available for specified models and may include operating leases directly with us under which we typically receive only a very small portion of the total vehicle purchase price at the time of lease, followed by a stream of payments over the term of the lease. We have also offered various arrangements for customers of our solar energy systems whereby they pay us a fixed payment to lease or finance the purchase of such systems or purchase electricity generated by them. If we do not successfully monitor and comply with applicable national, state and/or local financial regulations and consumer protection laws governing these transactions, we may become subject to enforcement actions or penalties. The profitability of any directly-leased vehicles returned to us at the end of their leases depends on our ability to accurately project our vehicles' residual values at the outset of the leases, and such values may fluctuate prior to the end of their terms depending on various factors such as supply and demand of our used vehicles, economic cycles, legislative changes and the pricing of new vehicles. We have made in the past and may make in the future certain adjustments to our prices from time to time in the ordinary course of business, which may impact the residual values of our vehicles and reduce the profitability of our vehicle leasing program. The funding and growth of this program also rely on our ability to secure adequate financing and/or business partners. If we are unable to adequately fund our leasing program through internal funds, partners or other financing sources, and compelling alternative financing programs are not available for our customers who may expect or need such options, we may be unable to grow our vehicle deliveries. Furthermore, if our vehicle leasing business grows substantially, our business may suffer if we cannot effectively manage the resulting greater levels of residual risk.18Table of ContentsSimilarly, we have provided residual value guarantees to vehicle customers and partners for certain financing programs, under which such counterparties may sell their vehicles through various remarketing channels. However, actual resale values are subject to fluctuations over the term of the financing arrangements, such as from one or more of the factors discussed above. If the actual resale values of any vehicles resold by our vehicle customers and partners are lower than the residual values we have agreed to with them, the residual value guarantees may be triggered and, as a result, our financial condition and operating results may be harmed. Finally, our vehicle and solar energy system financing programs and our energy storage sales programs also expose us to customer credit risk. In the event of a widespread economic downturn or other catastrophic event, our customers may be unable or unwilling to satisfy their payment obligations to us on a timely basis or at all. If a significant number of our customers default, we may incur substantial credit losses and/or impairment charges with respect to the underlying assets. We must manage ongoing obligations under our agreement with the Research Foundation for the State University of New York relating to our Gigafactory New York. We are party to an operating lease and a research and development agreement through the State University of New York (the "SUNY Foundation"). These agreements provide for the construction and use of our Gigafactory New York, which we have primarily used for the development and production of our Solar Roof and other solar products and components, energy storage components and Supercharger components, and for other lessor-approved functions. Under this agreement, we are obligated to, among other things, meet employment targets as well as specified minimum numbers of personnel in the State of New York and in Buffalo, New York and spend or incur \$5.00 billion in combined capital, operational expenses, costs of goods sold and other costs in the State of New York during a period that was initially 10 years beginning April 30, 2018. As of December 31, 2024, we have met and expect to meet the requirements under this arrangement, as may be modified and discussed from time to time, based on our current and anticipated level of operations. While we expect to have and grow significant operations at Gigafactory New York and the surrounding Buffalo area, any failure by us in any year over the course of the term of the agreement to meet all applicable future obligations may result in our incurring financial liabilities in the form of program payments which would not be expected to have a material adverse effect to our financial operations, the termination of our lease at Gigafactory New York, and/or the need to adjust certain of our operations. Any of the foregoing events may harm our business, financial condition and operating results. If we are unable to attract, hire and retain key employees and qualified personnel, our ability to compete may be harmed. The loss of the services of any of our key employees or any significant portion of our workforce could disrupt our operations or delay the development, introduction and ramp of our products and services. In particular, we are highly dependent on the services of Elon Musk, Technoking of Tesla and our Chief Executive Officer. None of our key employees is bound by an employment agreement for any specific term and we may not be able to successfully attract and retain senior leadership necessary to grow our business. Our future success also depends upon our ability to attract, hire and retain a large number of engineering, manufacturing, marketing, sales and delivery, service, installation, technology and support personnel, especially to support our planned high-volume product sales, market and geographical expansion and technological innovations. If we are not successful in managing these risks, our business, financial condition and operating results may be harmed. Employees may leave Tesla or choose other employers over Tesla due to various factors, such as a very competitive labor market for talented individuals with automotive or technology experience, or any negative publicity related to us. In regions where we have or will have operations, particularly significant engineering and manufacturing centers, there is strong competition for individuals with skills needed for our business, including specialized knowledge of electric vehicles, engineering and electrical and building construction expertise. We also compete with both mature and prosperous companies that have far greater financial resources than we do and start-ups and emerging companies that promise short-term growth opportunities. Finally, our compensation philosophy for all of our personnel reflects our startup origins, with an emphasis on equity-based awards and benefits in order to closely align their incentives with the long-term interests of our stockholders. We periodically seek and obtain approval from our stockholders for future increases to the number of awards available under our equity incentive and employee stock purchase plans. If we are unable to obtain the requisite stockholder approvals for such future increases, we may have to expend additional cash to compensate our employees and our ability to retain and hire qualified personnel may be harmed.19Table of ContentsWe are highly dependent on the services of Elon Musk, Technoking of Tesla and our Chief Executive Officer. We are highly dependent on the services of Elon Musk, Technoking of Tesla and our Chief Executive Officer. Although Mr. Musk spends significant time with Tesla and is highly active in our management, he does not devote his full time and attention to Tesla. For example: Mr. Musk also currently holds management positions at Space Exploration Technologies Corp., X Corp., XAI Corp., Neuralink Corp. and The Boring Company, and is involved in other ventures and with the Department of Government Efficiency. Our information technology systems or data, or those of our service providers or customers or users could be subject to cyber-attacks or other security incidents, which could result in data breaches, intellectual property theft, claims, litigation, regulatory investigations, significant liability, reputational damage and other adverse consequences. We continue to expand our information technology systems as our operations grow, such as product data management, procurement, inventory management, production planning and execution, sales, service and logistics, dealer management, financial, tax and regulatory compliance systems. This includes the implementation of new internally developed systems and the deployment of such systems in the U.S. and abroad. While, we maintain information technology measures designed to protect us against intellectual property theft, data breaches, sabotage and other external or internal cyber-attacks or misappropriation, our systems and those of our service providers are potentially vulnerable to malware, ransomware, viruses, denial-of-service attacks, phishing attacks, social engineering, computer hacking, unauthorized access, exploitation of bugs, defects and vulnerabilities, breakdowns, damage, interruptions, system malfunctions, power outages, terrorism, acts of vandalism, security breaches, security incidents, inadvertent or intentional actions by employees or other third parties, and other cyber-attacks. To the extent any security incident results in unauthorized access or damage to or acquisition, use, corruption, loss, destruction, alteration or dissemination of our data, including intellectual property and personal information, or our products or vehicles, or for it to be believed or reported that any of these occurred, it could disrupt our business, harm our reputation, compel us to comply with applicable data breach notification laws, subject us to time consuming, distracting and expensive litigation, regulatory investigation and oversight, mandatory corrective action, require us to verify the correctness of database contents, or otherwise subject us to liability under laws, regulations and contractual obligations, including those that protect the privacy and security of personal information. This could result in increased costs to us and result in significant legal and financial exposure and/or reputational harm. We also rely on service providers, and similar incidents relating to their information technology systems could also have a material adverse effect on our business. There have been and may continue to be significant supply chain attacks. Our service providers, including our workforce management software provider, have been subject to ransomware and other security incidents, and we cannot guarantee that our or our service providers' systems have not been breached or that they do not contain exploitable defects, bugs, or vulnerabilities that could result in a security incident, or other disruption to, our or our service providers' systems. Our ability to monitor our service providers' security measures is limited, and, in any event, malicious third parties may be able to circumvent those security measures. Further, the implementation, maintenance, segregation and improvement of these systems require significant management time, support and cost, and there are inherent risks associated with developing, improving and expanding our core systems as well as implementing new systems and updating current systems, including disruptions to the related areas of business operation. These risks may affect our ability to manage our data and inventory, procure parts or supplies or manufacture, sell, deliver and service products, adequately protect our intellectual property or achieve and maintain compliance with, or realize available benefits under, tax laws and other applicable regulations. Moreover, if we do not successfully implement, maintain or expand these systems as planned, our operations may be disrupted, our ability to accurately and/or timely report our financial results could be impaired and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results. Moreover, our proprietary information, including intellectual property and personal information, could be compromised or misappropriated and our reputation may be adversely affected. If these systems or their functionality do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.20Table of ContentsAny unauthorized

control or manipulation of our productsâ™ systems could result in loss of confidence in us and our products. Our products contain complex information technology systems. For example, our vehicles and energy storage products are designed with built-in data connectivity to accept and install periodic remote updates from us to improve or update their functionality. While we have implemented security measures intended to prevent unauthorized access to our information technology networks, our products and their systems, malicious entities have reportedly attempted, and may attempt in the future, to gain unauthorized access to modify, alter and use such networks, products and systems to gain control of, or to change, our productsâ™ functionality, user interface and performance characteristics or to gain access to data stored in or generated by our products. We encourage reporting of potential vulnerabilities in the security of our products through our security vulnerability reporting policy, and we aim to remedy any reported and verified vulnerability. However, there can be no assurance that any vulnerabilities will not be exploited before they can be identified, or that our remediation efforts are or will be successful. Any unauthorized access to or control of our products or their systems or any loss of data could result in legal claims or government investigations. In addition, regardless of their veracity, reports of unauthorized access to our products, their systems or data, as well as other factors that may result in the perception that our products, their systems or data are capable of being hacked, may harm our brand, prospects and operating results. We have been the subject of such reports in the past. Our business may be adversely affected by any disruptions caused by union activities. It is not uncommon for employees of certain trades at companies such as ours to belong to a union, which can result in higher employee costs and increased risk of work stoppages. Moreover, regulations in some jurisdictions outside of the U.S. mandate employee participation in industrial collective bargaining agreements and work councils with certain consultation rights with respect to the relevant companiesâ™ operations. Although we work diligently to provide the best possible work environment for our employees, they may still decide to join or seek recognition to form a labor union, or we may be required to become a union signatory. From time to time, labor unions have engaged in campaigns to organize certain of our operations, as part of which such unions have filed unfair labor practice charges against us with the National Labor Relations Board (the âœNLRBâ€), and they may do so in the future. Any unfavorable ultimate outcome for Tesla may have a negative impact on the perception of Teslaâ™s treatment of our employees. Furthermore, we are directly or indirectly dependent upon companies with unionized work forces, such as suppliers and trucking and freight companies. Any work stoppages or strikes organized by such unions could delay the manufacture and sale of our products and may harm our business and operating results. We may choose to or be compelled to undertake product recalls or take other similar actions. As a manufacturing company, we must manage the risk of product recalls with respect to our products. Recalls for our vehicles have resulted from various hardware and software-related safety or non-compliance determinations. In addition to recalls initiated by us for various causes, testing of or investigations into our products by government regulators or industry groups may compel us to initiate product recalls or may result in negative public perceptions about the safety of our products, even if we disagree with the defect determination or have data that contradicts it. In the future, we may voluntarily or involuntarily initiate recalls or field actions if any of our products are determined by us or a regulator to contain a safety defect or be noncompliant with applicable laws and regulations, such as U.S. Federal Motor Vehicle Safety Standards, or provide certain functionalities. Such recalls or field actions, whether voluntary or involuntary or caused by systems or components engineered or manufactured by us or our suppliers, could result in significant expense, supply chain complications and service burdens, and may harm our brand, business, prospects, financial condition and operating results. Our current and future warranty reserves may be insufficient to cover future warranty claims. We provide a manufacturerâ™s warranty on all new and used Tesla vehicles we sell directly to customers. We also provide certain warranties with respect to the energy generation and storage systems we sell, including on their installation and maintenance. For components not manufactured by us, we generally pass through to our customers the applicable manufacturersâ™ warranties, but may retain some warranty responsibilities for some or all of the life of such components. As part of our energy generation and storage system contracts, we may provide the customer with performance guarantees that guarantee that the underlying system will meet or exceed the minimum energy generation or other energy performance requirements specified in the contract. Under these performance guarantees, we generally bear the risk of electricity production or other performance shortfalls, including in some cases shortfalls caused by failures in components from third party manufacturers. These risks are exacerbated in the event such manufacturers cease operations or fail to honor their warranties. 21Table of ContentsIf our warranty reserves are inadequate to cover future warranty claims on our products, our financial condition and operating results may be harmed. Warranty reserves include our managementâ™s best estimates of the projected costs to repair or to replace items under warranty, which are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. Such estimates are inherently uncertain and changes to our historical or projected experience, especially with respect to products that we have introduced relatively recently and/or that we expect to produce at significantly greater volumes than our past products, may cause material changes to our warranty reserves in the future. Our insurance coverage strategy may not be adequate to protect us from all business risks. We may be subject, in the ordinary course of business, to losses resulting from products liability, accidents, acts of God and other claims against us, for which we may have no insurance coverage. As a general matter, we do not maintain as much insurance coverage as many other companies do, and in some cases, we do not maintain any at all. Additionally, the policies that we do have may include significant deductibles or self-insured retentions, policy limitations and exclusions, and we cannot be certain that our insurance coverage will be sufficient to cover all future losses or claims against us. A loss that is uninsured or which exceeds policy limits may require us to pay substantial amounts, which may harm our financial condition and operating results. Our debt agreements contain covenant restrictions that may limit our ability to operate our business. The terms of certain of our debt facilities contain, and any of our other future debt agreements may contain, covenant restrictions that may limit our ability to operate our business, including restrictions on our and/or our subsidiariesâ™ ability to, among other things, incur additional debt or create liens. In addition, under certain circumstances we are required to maintain a certain amount of liquidity. As a result of these covenants, our ability to respond to changes in business and economic conditions and engage in beneficial transactions, including to obtain additional financing as needed, may be restricted. Furthermore, our failure to comply with our debt covenants could result in a default under our debt agreements, which could permit the holders to accelerate our obligation to repay the debt. If any of our debt is accelerated, we may not have sufficient funds available to repay it. Additional funds may not be available to us when we need or want them. Our business and our future plans for expansion are capital-intensive, and the specific timing of cash inflows and outflows may fluctuate substantially from period to period. We may need or want to raise additional funds through the issuance of equity, equity-related or debt securities or through obtaining credit from financial institutions to fund, together with our principal sources of liquidity, the costs of developing and manufacturing our current or future products, to pay any significant unplanned or accelerated expenses or for new significant strategic investments, or to refinance our significant consolidated indebtedness, even if not required to do so by the terms of such indebtedness. We cannot be certain that additional funds will be available to us on favorable terms when required, or at all. If we cannot raise additional funds when we need them, our financial condition, results of operations, business and prospects could be materially and adversely affected. We may be negatively impacted by any early obsolescence of our manufacturing equipment. We depreciate the cost of our manufacturing equipment over their expected useful lives. However, product cycles or manufacturing technology may change periodically, and we may decide to update our products or manufacturing processes more quickly than expected. Moreover, improvements in engineering and manufacturing expertise and efficiency may result in our ability to manufacture our products using less of our currently installed equipment. Alternatively, as we ramp and mature the production of our products to higher levels, we may discontinue the use of already installed equipment in favor of different or additional equipment. The useful life of any equipment that would be retired early as a result would be shortened, causing the depreciation on such equipment to be accelerated, and our results of operations may be harmed. There is no guarantee that we will have sufficient cash flow from our business to pay our indebtedness or that we will not incur additional indebtedness. As of December 31, 2024, we and our subsidiaries had outstanding \$7.91 billion in aggregate principal amount of indebtedness (see Note 10, Debt, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K). Our consolidated indebtedness may increase our vulnerability to any generally adverse economic and industry conditions. We and our subsidiaries may, subject to the limitations in the terms of our existing and future indebtedness, incur additional debt, secure existing or future debt or recapitalize our debt. 22Table of ContentsOur ability to make scheduled payments of the principal and interest on our indebtedness when due, or to refinance our indebtedness as we may need or desire, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under our existing indebtedness and any future indebtedness we may incur, and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance existing or future indebtedness will depend on the capital markets and our financial condition at such time. In addition, our ability to make payments may be limited by law, by regulatory authority or by agreements governing our future indebtedness. We may not be able to engage in these activities on desirable terms or at all, which may result in a default on our existing or future indebtedness and harm our financial condition and operating results. We are exposed to fluctuations in currency exchange rates. We transact business globally in multiple currencies and have foreign currency risks related to our revenue, costs of revenue, operating expenses and localized subsidiary debt denominated in currencies other than the U.S. dollar. To the extent we have significant revenues denominated in such foreign currencies, any strengthening of the U.S. dollar would tend to reduce our revenues as measured in U.S. dollars, as we have historically experienced, and are currently experiencing. We have also experienced, and will continue to experience, fluctuations in our net income as a result of gains (losses) on the settlement and the re-measurement of monetary assets and liabilities denominated in currencies that are not the local currency (primarily consisting of our intercompany and cash and cash equivalents balances). In addition, a portion of our costs and expenses have been, and we anticipate will continue to be, denominated in foreign currencies. If we do not have fully offsetting revenues in these currencies and if the value of the U.S. dollar depreciates significantly against these currencies, our costs as measured in U.S. dollars as a percent of our revenues will correspondingly increase and our margins will suffer. As a result, our operating results may be harmed. We may not be able to adequately protect or defend ourselves against intellectual property infringement claims, which may be time-consuming and expensive, or affect the freedom to operate our business. Our competitors or other third parties may hold or obtain patents, copyrights, trademarks or other proprietary rights that could prevent, limit or interfere with our ability to make, use, develop, sell or market our products and services, which could make it more difficult for us to operate our business. From time to time, the holders of such intellectual property rights may assert their rights and urge us to take licenses and/or may bring suits alleging infringement or misappropriation of such rights, which could result in substantial costs, negative publicity and management attention, regardless of merit. In addition, the effective protection for our brands, technologies, and proprietary information may be limited or unavailable in certain countries, making it difficult to protect our intellectual property from misappropriation or infringement. Although we make reasonable efforts to maintain the confidentiality of our proprietary information, we cannot guarantee that these actions will deter or prevent misappropriation of our intellectual property. The theft or unauthorized use or publication of our trade secrets and confidential information could affect our competitive position. While we endeavor to obtain and protect the intellectual property rights that we expect will allow us to retain or advance our strategic initiatives in these circumstances, there can be no assurance that we will be able to adequately identify and protect the portions of intellectual property that are strategic to our business, or mitigate the risk of potential suits or other legal demands by third parties. Accordingly, we may consider the entering into licensing agreements with respect to such rights, although no assurance can be given that such licenses can be obtained on acceptable terms or that litigation will not occur, and such licenses and associated litigation could significantly increase our operating expenses. Further, if we are determined to have or believe there is a high likelihood that we have infringed upon a third partyâ™s intellectual property rights, we may be required to cease making, selling or incorporating certain components or intellectual property into the goods and services we offer, to pay substantial damages and/or license royalties, to redesign our products and services and/or to establish and maintain alternative branding for our products and services. In the event that we are required to take one or more such actions, our brand, business, financial condition and operating results may be harmed. Increased scrutiny and changing expectations from stakeholders with respect to the Companyâ™s ESG practices may result in additional costs or risks. Companies across many industries are facing increasing scrutiny related to their environmental, social and governance (ESG) practices. Investor advocacy groups, certain institutional investors, investment funds and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the non-financial impacts of their investments. While our mission is to accelerate the worldâ™s transition to sustainable 23Table of Contentsenergy, if our ESG practices do not meet investor or other industry stakeholder expectations, which continue to evolve, we may incur additional costs and our brand, ability to attract and retain qualified employees and business may be harmed. Compliance with any current or future legal requirements on these topics may result in additional costs or risks to us, including harm to our reputation, reduction in customer demand, and increased legal and operational risks. Our operations could be adversely affected by events outside of our control, such as natural disasters, wars or health epidemics. We may be impacted by natural disasters, wars, health epidemics, weather conditions, the long-term effects of climate change, power outages or other events outside of our control. For example, our Fremont Factory and Gigafactory Nevada are located in seismically active regions in Northern California and Nevada, and our Gigafactory Shanghai is located in a flood-prone area. Moreover, the area in which our Gigafactory Texas is located experienced severe winter storms in the first quarter of 2021 that had a widespread impact on utilities and transportation. If major disasters such as earthquakes, floods or other climate-related events occur, our information system or communication breaks down or operates improperly, our headquarters and production facilities may be seriously damaged, or we may have to stop or delay production and shipment of our products. Also, the broader consequences in the current conflict between Russia and Ukraine, which may include further embargoes, regional instability and geopolitical shifts, airspace bans relating to certain routes, or strategic decisions to alter certain routes; and potential retaliatory action by the Russian government against companies, and the extent of the conflict on our business and operating results cannot be predicted. We may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition. Risks Related to Government Laws and RegulationsDemand for our products and services may be impacted by the status of government and economic incentives supporting the development and adoption of such products. Government and economic incentives that support the development and adoption of electric vehicles in the U.S. and abroad, including certain tax exemptions, tax credits and rebates, may be reduced, eliminated, amended or exhausted from time to time. For example, previously available incentives favoring electric vehicles in certain areas have expired or were cancelled or temporarily unavailable, and in some cases were not eventually replaced or reinstated, which may have negatively impacted sales. In addition, certain government and economic incentives may also be implemented or amended to provide benefits to manufacturers who assemble domestically, have local suppliers or have other characteristics that may not apply to Tesla. Such developments could negatively impact demand for our vehicles, and we and our customers may have to adjust to them, including through pricing modifications. In addition, certain governmental rebates, tax credits and other financial incentives that are currently available with respect to our solar and energy storage product businesses allow us to lower our costs and encourage customers to buy our products and investors to invest in our solar financing funds. However, these incentives may expire when the allocated funding is exhausted, reduced or terminated as renewable energy adoption rates increase, sometimes without warning. Likewise, in jurisdictions where net metering is currently available, our customers receive bill credits from utilities for energy that their solar energy systems generate and export to the grid in excess of the electric load they use. The benefit available under net metering has been or has been proposed to be reduced, altered or eliminated in several jurisdictions, and has also been contested and may continue to be contested before the Federal Energy Regulatory Commission. Any reductions or terminations of such incentives may harm our business, prospects, financial condition and operating results by making our products less competitive for customers, increasing our cost of capital and adversely impacting our ability to attract investment partners and to form new financing funds for our solar and energy storage assets. Finally, we and our fund investors claim these U.S. federal tax credits and certain state incentives in amounts based on independently appraised fair market values of our solar and energy storage systems. Some governmental authorities have audited such values and in certain cases have determined that these values should be lower, and they may do so again in the future. Such determinations may result in adverse tax consequences and/or our obligation to make indemnification or other payments to our funds or fund investors. We are subject to evolving laws and regulations that could impose substantial costs, legal prohibitions or unfavorable changes upon our operations or products. Our business operations are and will continue to be subject to complex environmental, occupational, health and safety laws and regulations at numerous jurisdictional levels in the U.S., China, Germany and other locations abroad, including laws relating to the use, handling, storage, recycling, disposal and/or human exposure to hazardous materials, 24Table of Contentsproduct material inputs and post-consumer products and with respect to constructing, expanding and maintaining our facilities. New, or changes in, environmental and climate change laws, regulations or rules could also lead to increased costs of

compliance, including remediations of any discovered issues, and changes to our operations, which may be significant, and any failures to comply could result in significant expenses, delays or fines. In addition, as we have increased our operations, we are and may continue to be subject to increased scrutiny, including litigation and government investigations, that we will need to defend against. If we are unable to successfully defend ourselves in such litigation or government investigations, it may harm our brand, ability to attract and retain qualified employees, business and financial condition. We are also subject to laws and regulations applicable to the supply, manufacture, import, sale, service and performance of our products both domestically and abroad. For example, in countries outside of the U.S., we are required to meet standards relating to vehicle safety, fuel economy and emissions that are often materially different from equivalent requirements in the U.S., thus resulting in additional investment into the vehicles and systems to ensure regulatory compliance in all countries. This process may include official review and certification of our vehicles by foreign regulatory agencies prior to market entry, as well as compliance with foreign reporting and recall management systems requirements. In particular, we offer in our vehicles in certain markets Autopilot and FSD (Supervised) features that today assist drivers with certain tedious and potentially dangerous aspects of road travel, but which currently require drivers to remain fully engaged in the driving operation. We are continuing to develop our Autopilot and FSD (Supervised) technology. There are a variety of international, federal and state regulations that may apply to, and may adversely affect, the design and performance, sale, marketing, registration and operation of Autopilot and FSD (Supervised), and future capability, including autonomous vehicles that may not be operated by a human driver. This includes many existing vehicle standards that were not originally intended to apply to vehicles that may not be operated by a human driver. Such regulations, including their enforcement or the enforcement policy associated with the regulations, continue to rapidly change, which increases the likelihood of a patchwork of complex or conflicting regulations, or may delay, restrict or prohibit the availability of certain functionalities and vehicle designs, which could adversely affect our business. Finally, as a manufacturer, installer and service provider with respect to solar generation and energy storage systems, a supplier of electricity generated and stored by certain of the solar energy and energy storage systems we install for customers, and a provider of grid services through virtual power plant models, we are impacted by federal, state and local regulations and policies concerning the import or export of components, electricity pricing, the interconnection of electricity generation and storage equipment with the electrical grid and the sale of electricity generated by third party-owned systems. If regulations and policies are introduced that adversely impact the import or export of components, or the interconnection, maintenance or use of our solar and energy storage systems, they could deter potential customers from purchasing our solar and energy storage products and services, threaten the economics of our existing contracts and cause us to cease solar and energy storage system sales and services in the relevant jurisdictions, which may harm our business, financial condition and operating results. Any failure by us to comply with a variety of U.S. and international privacy and consumer protection laws may harm us. Any failure by us or our vendors or other business partners to comply with our public privacy notice or with federal, state or international privacy, data protection, artificial intelligence or security laws or regulations relating to the processing, collection, use, retention, security and transfer of personally identifiable information could result in regulatory or litigation-related actions against us, legal liability, fines, damages, ongoing audit requirements and other significant costs. Substantial expenses and operational changes may be required in connection with maintaining compliance with such laws, and even an unsuccessful challenge by customers or regulatory authorities of our activities could result in adverse publicity and could require a costly response from and defense by us. In addition, certain privacy laws are still subject to a high degree of uncertainty as to their interpretation, application and impact, and may require extensive system and operational changes, be difficult to implement, increase our operating costs, adversely impact the cost or attractiveness of the products or services we offer, or result in adverse publicity and harm our reputation. For example, the General Data Protection Regulation applies to the processing of personal information collected from individuals located in the European Union requiring certain data protection measures when handling, with a significant risk of fines for noncompliance. Similarly, our North American operations are subject to complex and changing federal and US state-specific data privacy laws and regulations, such as the California Consumer Privacy Act which imposes certain legal obligations on our use and processing of personal information related to California residents. Finally, additional privacy and cybersecurity laws have come into effect in China, and other jurisdictions where Tesla has a market presence. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing requirements may cause us to incur substantial costs and make enhancements to relevant data practices. Noncompliance could result in significant penalties or legal liability. 25Table of Contents In addition to the risks related to general privacy regulation, we may also be subject to specific vehicle manufacturer obligations relating to cybersecurity, data privacy and data localization requirements which place additional risks to our international operations. Risks and penalties could include ongoing audit requirements, data protection authority investigations, legal proceedings by international governmental entities or others resulting in mandated disclosure of sensitive data or other commercially unfavorable terms. Notwithstanding our efforts to protect the security and integrity of our customers' personal information, we may be required to expend significant resources to comply with data breach requirements if, for example, third parties improperly obtain and use the personal information of our customers or we otherwise experience a data loss with respect to the personal information we process and handle. A major breach of our network security and systems may occur despite defensive measures, and may result in fines, penalties and damages and harm our brand, prospects and operating results. We could be subject to liability, penalties and other restrictive sanctions and adverse consequences arising out of certain governmental investigations and proceedings. We are cooperating with certain government investigations as discussed in Note 14, Commitments and Contingencies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. To our knowledge, no government agency in any such ongoing investigation has concluded that any wrongdoing occurred. However, we cannot predict the outcome or impact of any such ongoing matters, and there exists the possibility that we could be subject to liability, penalties and other restrictive sanctions and adverse consequences if the SEC, the U.S. Department of Justice or any other government agency were to pursue legal action in the future. Moreover, we expect to incur costs in responding to related requests for information and subpoenas, and if instituted, in defending against any governmental proceedings. We may face regulatory challenges to or limitations on our ability to sell vehicles directly. While we intend to continue to leverage our most effective sales strategies, including sales through our website, we may not be able to sell our vehicles through our own stores in certain states in the U.S. with laws that may be interpreted to impose limitations on this direct-to-consumer sales model. It has also been asserted that the laws in some states limit our ability to obtain dealer licenses from state motor vehicle regulators, and such assertions persist. In certain locations, decisions by regulators permitting us to sell vehicles have been, and may be, challenged by dealer associations and others as to whether such decisions comply with applicable state motor vehicle industry laws. We have prevailed in many of these lawsuits and such results have reinforced our continuing belief that state franchise laws were not intended to apply to a manufacturer that does not have franchise dealers anywhere in the world. In some states, there have also been regulatory and legislative efforts by dealer associations to propose laws that, if enacted, would prevent us from obtaining dealer licenses in their states given our current sales model. A few states have passed legislation that clarifies our ability to operate, but at the same time limits the number of dealer licenses we can obtain or stores that we can operate. The application of state laws applicable to our operations continues to be difficult to predict. Internationally, there may be laws in jurisdictions we have not yet entered or laws we are unaware of in jurisdictions we have entered that may restrict our sales or other business practices. Even for those jurisdictions we have analyzed, the laws in this area can be complex, difficult to interpret and may change over time. Continued regulatory limitations and other obstacles interfering with our ability to sell vehicles directly to consumers may harm our financial condition and operating results. Risks Related to the Ownership of Our Common Stock The trading price of our common stock is likely to continue to be volatile. The trading price of our common stock has been highly volatile and could continue to be subject to wide fluctuations in response to various factors, some of which are beyond our control. Our common stock has experienced over the last 52 weeks an intra-day trading high of \$488.54 per share and a low of \$138.80 per share. The stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. In particular, a large proportion of our common stock has been historically and may in the future be traded by short sellers which may put pressure on the supply and demand for our common stock, further influencing volatility in its market price. Public perception of our company or management and other factors outside of our control may additionally impact the stock price of companies like us that garner a disproportionate degree of public attention, regardless of actual operating performance. In addition, in the past, following periods of volatility in the overall market or the market price of our shares, securities 26Table of Contentsclass action litigation has been filed against us. While we defend such actions vigorously, any judgment against us or any future stockholder litigation could result in substantial costs and a diversion of our management's attention and resources. Our financial results may vary significantly from period to period due to fluctuations in our operating costs and other factors. We expect our period-to-period financial results to vary based on our operating costs, which we anticipate will fluctuate as the pace at which we continue to design, develop and manufacture new products and increase production capacity by expanding our current manufacturing facilities and adding future facilities, may not be consistent or linear between periods. Additionally, our revenues from period to period may fluctuate as we introduce existing products to new markets for the first time and as we develop and introduce new products. As a result of these factors, we believe that quarter-to-quarter comparisons of our financial results, especially in the short term, are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of future performance. Moreover, our financial results may not meet expectations of equity research analysts, ratings agencies or investors, who may be focused only on short-term quarterly financial results. If any of this occurs, the trading price of our stock could fall substantially, either suddenly or over time. We may fail to meet our publicly announced guidance or other expectations about our business, which could cause our stock price to decline. We provide from time to time guidance regarding our expected financial and business performance. Correctly identifying key factors affecting business conditions and predicting future events is inherently an uncertain process, and our guidance may not ultimately be accurate and has in the past been inaccurate in certain respects, such as the timing of new product manufacturing ramps. Our guidance is based on certain assumptions such as those relating to anticipated production and sales volumes (which generally are not linear throughout a given period), average sales prices, supplier and commodity costs and planned cost reductions. If our guidance varies from actual results, such as due to our assumptions not being met or the impact on our financial performance that could occur as a result of various risks and uncertainties, the market value of our common stock could decline significantly. If Elon Musk were forced to sell shares of our common stock, either that he has pledged to secure certain personal loan obligations, or in satisfaction of other obligations, such sales could cause our stock price to decline. Certain banking institutions have made extensions of credit to Elon Musk, our Chief Executive Officer, a portion of which was used to purchase shares of common stock in certain of our public offerings and private placements at the same prices offered to third-party participants in such offerings and placements. We are not a party to these loans, which are partially secured by pledges of a portion of the Tesla common stock currently owned by Mr. Musk. If the price of our common stock were to decline substantially, Mr. Musk may be forced by one or more of the banking institutions to sell shares of Tesla common stock to satisfy his loan obligations if he could not do so through other means. Any such sales could cause the price of our common stock to decline further. Further, Mr. Musk from time to time may commit to investing in significant business or other ventures, and as a result, be required to sell shares of our common stock in satisfaction of such commitments. Anti-takeover provisions contained in our governing documents, applicable laws and certain of our debt facilities could impair a takeover attempt. Our certificate of formation and bylaws afford certain rights and powers to our board of directors that may facilitate the delay or prevention of an acquisition that it deems undesirable. We are also subject to Section 21.606 of the Texas Business Organizations Code and other provisions of Texas law that limit the ability of stockholders in certain situations to effect certain business combinations. In addition, a change in control may cause the acceleration of certain of our debt facilities. Any of the foregoing provisions and terms that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. ITEM 1B. UNRESOLVED STAFF COMMENTS None. 27ITEM 1C. CYBERSECURITY Cybersecurity Risk Management and Strategy We recognize the importance of assessing, identifying, and managing material risks associated with cybersecurity threats, as such term is defined in Item 106(a) of Regulation S-K. These risks include, among other things: operational risks, intellectual property theft, fraud, extortion, harm to employees or customers and violation of data privacy or security laws. Identifying and assessing cybersecurity risk is integrated into our overall risk management systems and processes. Cybersecurity risks related to our business, technical operations, privacy and compliance issues are identified and addressed through a multi-faceted approach including third party assessments, internal IT Audit, IT security, governance, risk and compliance reviews. To defend, detect and respond to cybersecurity incidents, we, among other things: conduct proactive privacy and cybersecurity reviews of systems and applications, audit applicable data policies, perform penetration testing using external third-party tools and techniques to test security controls, operate a bug bounty program to encourage proactive vulnerability reporting, conduct employee training, monitor emerging laws and regulations related to data protection and information security (including our consumer products) and implement appropriate changes. We have implemented incident response and breach management processes which have four overarching and interconnected stages: 1) preparation for a cybersecurity incident, 2) detection and analysis of a security incident, 3) containment, eradication and recovery, and 4) post-incident analysis. Such incident responses are overseen by leaders from our Information Security, Product Security, Compliance and Legal teams regarding matters of cybersecurity. Security events and data incidents are evaluated, ranked by severity and prioritized for response and remediation. Incidents are evaluated to determine materiality as well as operational and business impact, and reviewed for privacy impact. We also conduct tabletop exercises to simulate responses to cybersecurity incidents. Our team of cybersecurity professionals then collaborate with technical and business stakeholders across our business units to further analyze the risk to the company, and form detection, mitigation and remediation strategies. As part of the above processes, we regularly engage external auditors and consultants to assess our internal cybersecurity programs and compliance with applicable practices and standards. As of 2024, our Information Security Management System has been certified to conform to the requirements of ISO/IEC 27001:2013. Our risk management program also assesses third party risks, and we perform third-party risk management to identify and mitigate risks from third parties such as vendors, suppliers, and other business partners associated with our use of third-party service providers. Cybersecurity risks are evaluated when determining the selection and oversight of applicable third-party service providers and potential fourth-party risks when handling and/or processing our employee, business or customer data. In addition to new vendor onboarding, we perform risk management during third-party cybersecurity compromise incidents to identify and mitigate risks to us from third-party incidents. We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading "Our information technology systems or data, or those of our service providers or customers or users could be subject to cyber-attacks or other security incidents, which could result in data breaches, intellectual property theft, claims, litigation, regulatory investigations, significant liability, reputational damage and other adverse consequences" included as part of our risk factor disclosures at Item 1A of this Annual Report on Form 10-K. Cybersecurity Governance Cybersecurity is an important part of our risk management processes and an area of focus for our Board and management. Our Audit Committee is responsible for the oversight of risks from cybersecurity threats. Members of the Audit Committee receive updates on a quarterly basis from senior management, including leaders from our Information Security, Product Security, Compliance and Legal teams regarding matters of cybersecurity. This includes existing and new cybersecurity risks, status on how management is addressing and/or mitigating those risks, cybersecurity and data privacy incidents (if any) and status on key information security initiatives. Our Board members also engage in ad hoc conversations with management on cybersecurity-related news events and discuss any updates to our cybersecurity risk management and strategy programs. 28Our cybersecurity risk management and strategy processes are overseen by leaders from our Information Security, Product Security, Compliance and Legal teams. Such individuals have an average of over 15 years of prior work experience in various roles involving information technology, including security, auditing, compliance, systems and programming. These individuals are informed about, and monitor the prevention, mitigation, detection and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, including the operation of our incident response plan, and report to the Audit Committee on any appropriate items. ITEM 2. PROPERTIES We are headquartered in Austin, Texas. Our principal facilities include a large number of properties in North America, Europe and Asia utilized for manufacturing and assembly, warehousing, engineering, retail and service locations, Supercharger sites and administrative and sales offices. Our facilities are used to support both of our reporting segments, and are suitable and adequate for the conduct of our business. We generally lease such facilities with the primary exception of some manufacturing facilities. The following table sets forth the location of our primary owned and leased manufacturing facilities. Primary Manufacturing Facilities Location Owned or Leased Gigafactory Texas Austin, Texas Owned Fremont Factory Fremont, California Owned Gigafactory Nevada Sparks, Nevada Owned Gigafactory Berlin-Brandenburg Grunheide,

GermanyOwnedGigafactory ShanghaiShanghai, China*Megafactory ShanghaiShanghai, China*Gigafactory New YorkBuffalo, New YorkLeasedMegafactory LathropLathrop, CaliforniaLeased*We own the building and the land use rights with an initial term of 50 years. The land use rights are treated as operating lease right-of-use assets. ITEM 3. LEGAL PROCEEDINGSFor a description of our material pending legal proceedings, please see Note 14, Commitments and Contingencies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. ITEM 4. MINE SAFETY DISCLOSURESNot applicable.29PART IIITEM 5. MARKET FOR REGISTRANTâ™S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIESMarket InformationOur common stock has traded on The NASDAQ Global Select Market under the symbol â€œTSLAâ€ since it began trading on June 29, 2010. Our initial public offering was priced at approximately \$1.13 per share on June 28, 2010 as adjusted to give effect to the three-for-one stock split effected in the form of a stock dividend in August 2022 and the five-for-one stock split effected in the form of a stock dividend in August 2020. HoldersAs of JanuaryÂ 22, 2025, there were 9,512 holders of record of our common stock. A substantially greater number of holders of our common stock are â€œstreet nameâ€ or beneficial holders, whose shares are held by banks, brokers and other financial institutions. Dividend PolicyWe have never declared or paid cash dividends on our common stock. We currently do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors may deem relevant. Stock Performance GraphThis performance graph shall not be deemed â€œfiledâ€ for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the â€œExchange Actâ€), or incorporated by reference into any filing of Tesla, Inc. under the Securities Act of 1933, as amended (the â€œSecurities Actâ€), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. The following graph shows a comparison, from January 1, 2020 through DecemberÂ 31, 2024, of the cumulative total return on our common stock, the NASDAQ Composite Index and a group of all public companies sharing the same SIC code as us, which is SIC code 3711, â€œMotor Vehicles and Passenger Car Bodiesâ€ (Motor Vehicles and Passenger Car Bodies Public Company Group). Such returns are based on historical results and are not intended to suggest future performance. Data for The NASDAQ Composite Index and the Motor Vehicles and Passenger Car Bodies Public Company Group assumes an investment of \$100 on January 1, 2020 and reinvestment of dividends. We have never declared or paid cash dividends on our common stock nor do we anticipate paying any such cash dividends in the foreseeable future.30Unregistered Sales of Equity Securities and Use of ProceedsIn connection with the offering of 2.00% Convertible Senior Notes due 2024 in May 2019, we sold warrants to each of SociÃ©tÃ© GÃ©nÃ©rale, Wells Fargo Bank, National Association, Credit Suisse Capital LLC (later assigned to UBS AG, London Branch) and Goldman, Sachs & Co. LLC (together, the â€œ2019 Warrantholdersâ€). Between October 1, 2024 and October 15, 2024, we issued an aggregate of 2,894,424 shares of our common stock to the 2019 Warrantholders pursuant to their exercise of such warrants, which were net of the applicable exercise prices. Such shares were issued pursuant to an exemption from registration provided by Rule 3(a)(9) of the Securities Act of 1933. Purchases of Equity Securities by the Issuer and Affiliated PurchasersNone. ITEM 6. [RESERVED]31ITEM 7. MANAGEMENTâ™S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS The following discussion and analysis should be read in conjunction with the consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K. For further discussion of our products and services, technology and competitive strengths, refer to Item 1- Business. For discussion related to changes in financial condition and the results of operations for fiscal year 2023-related items, refer to Part II, Item 7, Managementâ™s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for fiscal year 2023, which was filed with the Securities and Exchange Commission on January 29, 2024. Overview and 2024 HighlightsOur mission is to accelerate the worldâ™s transition to sustainable energy. We design, develop, manufacture, lease and sell high-performance fully electric vehicles, solar energy generation systems and energy storage products. We also offer maintenance, installation, operation, charging, insurance, financial and other services related to our products. Additionally, we are increasingly focused on products and services based on AI, robotics and automation. In 2024, we produced approximately 1,773,000 consumer vehicles and delivered approximately 1,789,000 consumer vehicles. We are focused on profitable growth, including by leveraging existing factories and production lines to introduce new and more affordable products, further improving and deploying our FSD (Supervised) capabilities, including future autonomous capabilities through our purpose-built Robotaxi product, Cybercab, reducing costs, increasing vehicle production, utilized capacity and delivery capabilities, improving and developing our vehicles and battery technologies, vertically integrating and localizing our supply chain, and expanding our global infrastructure, including our service and charging infrastructure. In 2024, we deployed 31.4 GWh of energy storage products. We are focused on ramping the production and increasing the market penetration of our energy storage products. In 2024, we recognized total revenues of \$97.69 billion, representing an increase of \$917 million compared to the prior year. In 2024, our net income attributable to common stockholders was \$7.09 billion, representing a decrease of \$7.91 billion compared to the prior year, primarily due to the impact of releasing \$6.54 billion of our valuation allowance associated with U.S. federal and state deferred tax assets in the fourth quarter of 2023. We continue to ramp production and build and optimize our manufacturing capacity, expand our operations while focusing on further cost reductions and operational efficiencies to enable increased deliveries and deployments of our products, and invest in research and development to accelerate our AI, software, and fleet-based profits for further revenue growth. We ended 2024 with \$36.56 billion in cash and cash equivalents and investments, representing an increase of \$7.47 billion from the end of 2023. Our cash flows provided by operating activities were \$14.92 billion in 2024 compared to \$13.26 billion in 2023, representing an increase of \$1.67 billion. Capital expenditures amounted to \$11.34 billion in 2024 compared to \$8.90 billion in 2023, representing an increase of \$2.44 billion. Overall growth has allowed our business to generally fund itself, and we will continue investing in a number of capital-intensive projects and research and development in upcoming periods.32Management Opportunities, Challenges and Uncertainties and 2025 OutlookAutomotiveâ™Production The following is a summary of the status of production of each of our announced vehicle models in production and under development, as of the date of this Annual Report on Form 10-K:RegionVehicle Model(s)Production StatusCaliforniaModel S / Model XActiveÂ Model 3 / Model YActiveShanghaiModel 3 / Model YActiveBerlinModel YActiveTexasModel YActiveÂ CybertruckActiveCybercabin developmentNevadaTesla SemiPilot productionTBD Roadsterin development We are focused on growing our manufacturing capacity, which includes capacity for manufacturing newer vehicle models such as our Cybertruck, Tesla Semi and future vehicles utilizing aspects of our next generation platform, and ramping the production at our Gigafactories to their installed production capacities as well as increasing production rate and efficiency at our current factories. The next phase of production growth will depend on the continued ramp at our factories and be initiated by advances in autonomy and the introduction of new products, including those built on our next generation vehicle platform, as well as our ability to add to our available sources of battery cell supply by manufacturing our own cells that we are developing to have high-volume output, lower capital and production costs and longer range. Our goals are to improve vehicle performance, decrease production costs and increase affordability and customer awareness. These plans are subject to uncertainties inherent in establishing and ramping manufacturing operations, which may be exacerbated by new product and manufacturing technologies we introduce, the number of concurrent international projects, any industry-wide component constraints, labor shortages and any future impact from events outside of our control. For example, during the first quarter of 2024, we experienced a sequential decline in production volumes partially caused by the early phase of the production ramp of the updated Model 3 at our Fremont factory, and factory shutdowns at Gigafactory Berlin-Brandenburg resulting from shipping diversions caused by the Red Sea conflict and an arson attack. In the first quarter of 2025, as we launch our New Model Y worldwide, we may similarly experience delays or declines in production volumes due to simultaneous manufacturing ramps in facilities on three continents. Moreover, we have set ambitious technological targets with our plans for battery cells as well as for iterative manufacturing and design improvements for our vehicles with each new factory. Automotiveâ™Demand, Sales, Deliveries and InfrastructureOur cost reduction efforts, cost innovation strategies, and additional localized procurement and manufacturing are key to our vehiclesâ€™ affordability and have allowed us to competitively price our vehicles. We will also continue to generate demand by improving our vehiclesâ€™ performance and functionality, including through product offerings and features based on artificial intelligence such as Autopilot, FSD (Supervised), and other software, and delivering new vehicles and vehicle options, such as our launch of the updated Model 3 in 2024, and the New Model Y in the first quarter of 2025. In addition, we have been increasing awareness, and expanding our vehicle financing programs, including attractive leasing terms for our customers. 33However, we operate in a cyclical industry that is sensitive to shifting consumer trends, political and regulatory uncertainty, including with respect to trade and the environment, all of which can be compounded by inflationary pressures, rising energy prices, interest rate fluctuations and the liquidity of enterprise customers. For example, as inflationary pressures increased across the markets in which we operate, central banks in developed countries raised interest rates rapidly and substantially, which impacted the affordability of vehicle lease and finance arrangements. Further, sales of vehicles in the automotive industry also tend to be cyclical in many markets, which may expose us to increased volatility as we expand and adjust our operations. Moreover, as additional competitors enter the marketplace and help bring the world closer to sustainable transportation, we will have to adjust and continue to execute well to maintain our momentum. Additionally, our suppliersâ€™ liquidity and allocation plans may be affected by current challenges in the North American automotive industry, which could reduce our access to components or result in unfavorable changes to cost. These macroeconomic and industry trends have had, and will likely continue to have, an impact on the pricing of, and order rate for our vehicles, and in turn our operating margin. Changes in government and economic policies, incentives or tariffs may also impact our production, sales, cost structure and the competitive landscape. We will continue to adjust accordingly to such developments, and we believe our ongoing cost reduction, including improved production innovation and efficiency at our newest factories and lower logistics costs, and focus on operating leverage will continue to benefit us in relation to our competitors, while our new products will help enable future growth. As our production increases, we must work constantly to similarly increase vehicle delivery capability so that it does not become a bottleneck on our total deliveries. We are also committed to reducing the percentage of vehicles delivered in the third month of each quarter, which will help to reduce the cost per vehicle. As we expand our manufacturing operations globally, we will also have to continue to increase and staff our delivery, servicing and charging infrastructure accordingly, maintain our vehicle reliability and optimize our Supercharger locations to ensure cost effectiveness and customer satisfaction. In particular, as other automotive manufacturers have announced their adoption of the North American Charging Standard (â€œNACSâ€) and agreements with us to utilize our Superchargers, we must correspondingly expand our network in order to ensure adequate availability to meet customer demands. We also remain focused on continued enhancements of the capability and efficiency of our servicing operations. Energy Generation and Storage Demand, Production and DeploymentThe long-term success of this business is dependent upon incremental volume growth. We continue to increase the production and capabilities of our energy storage products to meet high levels of demand, including the introduction of Powerwall 3 in 2024, and the ramps of our Megafactories in Shanghai and Lathrop, California. For Megapack, energy storage deployments can vary meaningfully quarter to quarter depending on the timing of specific project milestones and logistics. As these product lines grow, we will have to maintain adequate battery cell supply for our energy storage products. At the same time, changes in government and economic incentives or tariffs may also impact our sales, cost structure and the competitive landscape. Cash Flow and Capital Expenditure Trends Our capital expenditures are typically difficult to project beyond the short-term given the number and breadth of our core projects at any given time, and may further be impacted by uncertainties in future global market conditions. We are simultaneously developing and ramping new products, building or ramping manufacturing facilities on three continents, piloting the development and manufacture of new battery cell technologies, expanding our Supercharger network and investing in autonomy and other artificial intelligence enabled training and products, and the pace of our capital spend may vary depending on overall priority among projects, the pace at which we meet milestones, production adjustments to and among our various products, increased capital efficiencies and the addition of new projects. Owing and subject to the foregoing as well as the pipeline of announced projects under development, all other continuing infrastructure growth and varying levels of inflation, we currently expect our capital expenditures to exceed \$11.00 billion in 2025 and in each of the following two fiscal years. Our business has generally been consistently generating cash flow from operations in excess of our level of capital spend, and with better working capital management resulting in shorter days sales outstanding than days payable outstanding, our sales growth is also generally facilitating positive cash generation. We have and will continue to utilize such cash flows, among other things, to invest in autonomy, do more vertical integration, expand our product roadmap and provide financing options to our customers. At the same time, we are likely to see heightened levels of capital expenditures during certain periods depending on the specific pace of our capital-intensive projects and other potential variables such as rising material prices and increases in supply chain and labor expenses resulting from changes in global trade conditions and labor availability. Overall, we expect our ability to be self-funding to continue as long as macroeconomic factors support current trends in our sales.34Critical Accounting Policies and EstimatesThe consolidated financial statements are prepared in accordance with accounting principles generally accepted in the U.S. (â€œGAAPâ€). The preparation of the consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience, as appropriate, and on various other assumptions that we believe to be reasonable under the circumstances. Changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by our management. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows may be affected. The estimates used for, but not limited to, determining significant economic incentive for resale value guarantee arrangements, sales return reserves, resale value guarantee liabilities, income tax, the collectability of accounts and finance receivables, inventory valuation, warranties, fair value of long-lived assets, goodwill, fair value of financial instruments, fair value and residual value of operating lease vehicles and solar energy systems subject to leases could be impacted. We have assessed the impact and are not aware of any specific events or circumstances that required an update to our estimates and assumptions or materially affected the carrying value of our assets or liabilities as of the date of issuance of this Annual Report on Form 10-K. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions. Revenue RecognitionAutomotive SalesAutomotive sales revenue includes revenues related to cash and financing deliveries of new vehicles, and specific other features and services that meet the definition of a performance obligation under Accounting Standards Codification 606, Revenue from Contracts with Customers (â€œASC 606â€), including access to our FSD (Supervised) features and their ongoing maintenance, internet connectivity, free Supercharging programs and over-the-air software updates. We recognize revenue on automotive sales upon delivery to the customer, which is when the control of a vehicle transfers. Payments are typically received at the point control transfers or in accordance with payment terms customary to the business, except sales we finance for which payments are collected over the contractual loan term. We also recognize a sales return reserve based on historical experience plus consideration for expected future market values, when we offer resale value guarantees or similar buyback terms. Other features and services such as access to our internet connectivity, unlimited free Supercharging and over-the-air software updates are provisioned upon control transfer of a vehicle and recognized over time on a straight-line basis as we have a stand-ready obligation to deliver such services to the customer. Other limited free Supercharging incentives are recognized based on actual usage or expiration, whichever is earlier. We recognize revenue related to these other features and services over the performance period, which is generally the expected ownership life of the vehicle. Revenue related to FSD (Supervised) features is recognized when functionality is delivered to the customer and their ongoing maintenance is recognized over time. For our obligations related to automotive sales, we estimate standalone selling price by considering costs used to develop and deliver the service, third-party pricing of similar options and other information that may be available. Inventory ValuationInventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost for vehicles and energy products, which approximates actual cost on a first-in, first-out basis. We record inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. If our inventory on-hand is in excess of our future demand forecast, the excess amounts are written-off. We also review our inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires us to determine the estimated selling price of our vehicles less the estimated cost to convert the inventory on-hand into a finished product. Once inventory is written-down, a new, lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. Should our estimates of future selling prices or production costs change, additional and potentially material write-downs may be required. A small change in our estimates may result in a material charge to our reported financial results.35WarrantiesWe provide a manufacturerâ™s warranty on all new and used vehicles and a warranty on the installation and components of the energy generation and storage systems we sell for periods typically between 10 to 25 years. We accrue a warranty reserve for the products sold by us, which includes our best estimate of the projected costs to repair or replace items under warranties and recalls if identified. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and

costs of future claims. These estimates are inherently uncertain and changes to our historical or projected warranty experience may cause material changes to the warranty reserve in the future. The warranty reserve does not include projected warranty costs associated with our vehicles subject to operating lease accounting and our solar energy systems under lease contracts or PPAs, as the costs to repair these warranty claims are expensed as incurred. The portion of the warranty reserve expected to be incurred within the next 12 months is included within Accrued liabilities and other, while the remaining balance is included within Other long-term liabilities on the consolidated balance sheets. For liabilities that we are entitled to receive indemnification from our suppliers, we record receivables for the contractually obligated amounts on the consolidated balance sheets as a component of Prepaid expenses and other current assets for the current portion and as Other non-current assets for the long-term portion. Warranty expense is recorded as a component of Cost of revenues in the consolidated statements of operations. Due to the magnitude of our automotive business, our accrued warranty balance is primarily related to our automotive segment. Stock-Based Compensation We use the fair value method of accounting for our stock options and restricted stock units (â€œRSUsâ€) granted to employees and for our employee stock purchase plan (the â€œESPPâ€) to measure the cost of employee services received in exchange for the stock-based awards. The fair value of stock option awards with only service and/or performance conditions is estimated on the grant or offering date using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires inputs such as the risk-free interest rate, expected term and expected volatility. These inputs are subjective and generally require significant judgment. The fair value of RSUs is measured on the grant date based on the closing fair market value of our common stock. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period, which is generally four years for stock options and RSUs and six months for the ESPP. Stock-based compensation expense is recognized on a straight-line basis, net of actual forfeitures in the period. For performance-based awards, stock-based compensation expense is recognized over the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable. As we accumulate additional employee stock-based awards data over time and as we incorporate market data related to our common stock, we may calculate significantly different volatilities and expected lives, which could materially impact the valuation of our stock-based awards and the stock-based compensation expense that we will recognize in future periods. Stock-based compensation expense is recorded in Cost of revenues, Research and development expense and Selling, general and administrative expense in the consolidated statements of operations. Income Taxes We are subject to income taxes in the U.S. and in many foreign jurisdictions. Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets that are not more likely than not to be realized. We monitor the realizability of our deferred tax assets taking into account all relevant factors at each reporting period. In completing our assessment of realizability of our deferred tax assets, we consider our history of income (loss) measured at pre-tax income (loss) adjusted for permanent book-tax differences on a jurisdictional basis, volatility in actual earnings, excess tax benefits related to stock-based compensation in recent prior years, and impacts of the timing of reversal of existing temporary differences. We also rely on our assessment of the Companyâ€™s projected future results of business operations, including uncertainty in future operating results relative to historical results, volatility in the market price of our common stock and its performance over time, variable macroeconomic conditions impacting our ability to forecast future taxable income, and changes in business that may affect the existence and magnitude of future taxable income. Our valuation allowance assessment is based on our best estimate of future results considering all available information. Furthermore, significant judgment is required in evaluating our tax positions. In the ordinary course of business, there are many transactions and calculations for which the ultimate tax settlement is uncertain. As a result, we recognize the effect of this uncertainty on our tax attributes or taxes payable based on our estimates of the eventual outcome. These effects are recognized when, despite our belief that our tax return positions are supportable, we believe that it is more likely than not that some of those positions may not be fully sustained upon review by tax authorities. We are required to file income tax returns in the U.S. and various foreign jurisdictions, which requires us to interpret the applicable tax laws and regulations in effect in such jurisdictions. Such returns are subject to audit by the various federal, state and foreign taxing authorities, who may disagree with respect to our tax positions. We believe that our consideration is adequate for all open audit years based on our assessment of many factors, including past experience and interpretations of tax law. We review and update our estimates in light of changing facts and circumstances, such as the closing of a tax audit, the lapse of a statute of limitations or a change in estimate. To the extent that the final tax outcome of these matters differs from our expectations, such differences may impact income tax expense in the period in which such determination is made. Results of Operations Revenues Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Automotive sales \$72,480A \$78,509A \$67,210A \$6(6,029)(8)% \$11,299A 17A % Automotive regulatory credits 2,763A 1,790A 1,776A 973A 54A 14A 1A % Automotive leasing 1,827A 2,120A 2,476A (293)(14)% (356)(14)% Total automotive revenues 77,070A 82,419A 71,462A (5,349)(6)% 10,957A 15A % Services and other 10,534A 8,319A 6,091A 2,215A 27A 2% 22A 37A % Total automotive & services and other segment revenue 87,604A 90,738A 77,553A (3,134)(3)% 13,185A 17A % Energy generation and storage segment revenue 10,086A 6,035A 3,909A 4,051A 67A % 2,126A 54A % Total revenues \$97,690A \$96,773A \$81,462A \$917A 1A % \$15,311A 19A % Automotive & Services and Other Segment Automotive sales revenue includes revenues related to cash and financing deliveries of new vehicles, including access to our FSD (Supervised) features and their ongoing maintenance, internet connectivity, free Supercharging programs and over-the-air software updates. These deliveries are vehicles that are not subject to lease accounting. Automotive regulatory credits includes sales of regulatory credits to other automotive manufacturers. Our revenue from automotive regulatory credits is directly related to our new vehicle production, sales and pricing negotiated with our customers. We monetize them proactively as new vehicles are sold based on standing arrangements with buyers of such credits, typically as close as possible to the production and delivery of the vehicle or changes in regulation impacting the credits. Automotive leasing revenue includes the amortization of revenue for vehicles under direct operating lease agreements. Additionally, automotive leasing revenue includes direct sales-type leasing programs where we recognize all revenue associated with the sales-type lease upon delivery to the customer. Services and other revenue consists of sales of used vehicles, non-warranty maintenance services and collision, part sales, paid Supercharging, insurance services revenue and retail merchandise sales. 2024 compared to 2023 Automotive sales revenue decreased \$6.03 billion, or 8%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to lower average selling price on our vehicles driven by overall price reductions and attractive financing options provided in 2024 as well as mix. Additionally, there was a decrease of approximately 22,000 combined Model 3 and Model Y cash deliveries. The decreases were partially offset by an increase of approximately 19,000 deliveries of other models primarily due to our production ramp of Cybertruck. Additionally, we recognized \$596 million of FSD (Supervised) revenue due to release of certain features in 2024. 37 Automotive regulatory credits revenue increased \$973 million, or 54%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, driven by demand for credits in North America as other automobile manufacturers scale back on their battery electric vehicle plans. Automotive leasing revenue decreased \$293 million, or 14%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to lower direct sales-type leasing deliveries as we have shifted towards providing leasing options through commercial banking partner programs that allow for us to recognize upfront revenue in automotive sales and a decrease in lease buyouts. Services and other revenue increased \$2.22 billion, or 27%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to increases in sales of used vehicles, non-warranty maintenance services and collision revenue, paid Supercharging revenue, insurance services revenue and part sales revenue. Energy Generation and Storage Segment Energy generation and storage revenue includes sales and leasing of solar energy generation and energy storage products, financing of solar energy generation products, services related to such products and sales of solar energy systems incentives. 2024 compared to 2023 Energy generation and storage revenue increased \$4.05 billion, or 67%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to a 1.7 GWh increase in Megapack and Powerwall deployments compared to the prior year. Cost of Revenues and Gross Margin Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Cost of revenues Automotive sales \$61,870A \$65,121A \$49,599A \$3(2,251)(5)% \$15,522A 31A % Automotive leasing 1,003A 1,268A 1,509A (265)(21)% (241)(16)% Total automotive cost of revenues 62,873A 66,389A 51,108A (3,516)(5)% 15,281A 30A % Services and other 9,921A 7,830A 5,880A 2,091A 27A 1% 950A 33A % Total automotive & services and other segment cost of revenues 72,794A 74,219A 56,988A (1,425)(2)% 17,231A 30A % Energy generation and storage segment 7,446A 4,894A 3,621A 2,552A 52A 1% 2,173A 35A % Total cost of revenues \$80,240A \$79,113A \$60,609A \$1,127A 1A % \$18,504A 31A % Gross profit total automotive 14,197A \$16,030A \$20,354A Gross margin total automotive 18.4A 19.4A 22.5A % Gross profit total automotive & services and other segments 14,810A \$16,519A \$20,565A Gross margin total automotive & services and other segment 16.9A 18.2A 26.5A % Gross profit energy generation and storage segment \$2,640A \$1,141A \$288A Gross margin energy generation and storage segment 26.2A 18.9A 7.4A % Total gross profits \$17,450A \$17,660A \$20,853A Total gross margin 17.9A 18.2A 25.6A % 38 Automotive & Services and Other Segment Cost of automotive sales revenue includes direct and indirect materials, labor costs, manufacturing overhead, including depreciation costs of tooling and machinery, shipping and logistic costs, vehicle connectivity costs, FSD (Supervised) ongoing maintenance costs, allocations of electricity and infrastructure costs related to our Supercharger network and reserves for estimated warranty expenses. Cost of automotive sales revenues also includes adjustments to warranty expense and charges to write down the carrying value of our inventory when it exceeds its estimated net realizable value and to provide for obsolete and on-hand inventory in excess of forecasted demand. Additionally, cost of automotive sales revenue benefits from manufacturing credits earned. Cost of automotive leasing revenue includes the depreciation of operating lease vehicles, cost of goods sold associated with direct sales-type leases and warranty expense related to leased vehicles. Costs of services and other revenue includes cost of used vehicles including refurbishment costs, costs associated with providing non-warranty after-sales services, costs associated with our body shops and part sales, costs of paid Supercharging costs to provide vehicle insurance and costs of retail merchandise sales. 2024 compared to 2023 Cost of automotive sales revenue decreased \$3.25 billion, or 5%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023 due to a decrease in the average combined cost per unit of our vehicles primarily from lower raw material costs, freight and duties as well as mix, in addition to the volume changes in deliveries year over year as discussed above. The decreases were partially offset by higher costs for Cybertruck. Cost of automotive leasing revenue decreased \$265 million, or 21%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to a decrease in direct sales-type leasing cost of revenue driven by lower deliveries and a decrease in our direct operating lease cost of revenue driven by lower lease buyouts compared to the prior periods. Cost of services and other revenue increased \$2.09 billion, or 27%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to volume increases in used vehicle sales at lower average vehicle acquisition cost, insurance services, paid Supercharging, part sales and non-warranty maintenance services and collision. Gross margin for total automotive decreased from 19.4% to 18.4% in the year ended December 31, 2024 as compared to the year ended December 31, 2023 due to lower average selling price on our vehicles and Cybertruck ramp, partially offset by lower average combined cost per unit of our vehicles and increases in regulatory credit and FSD (Supervised) revenue, as discussed above. Gross margin for total automotive & services and other segment decreased from 18.2% to 16.9% in the year ended December 31, 2024 as compared to the year ended December 31, 2023. The changes in gross margin are primarily due to the automotive gross margin factors discussed above. Energy Generation and Storage Segment Cost of energy generation and storage revenue includes direct and indirect material and labor costs, manufacturing overhead, including depreciation costs of tooling and machinery, freight, warranty expense, and cost of servicing. Cost of energy generation and storage revenue also includes charges to write down the carrying value of our inventory when it exceeds its estimated net realizable value and to provide for obsolete and on-hand inventory in excess of forecasted demand. Additionally, cost of energy generation and storage revenue benefits from manufacturing credits earned. In agreements for solar energy systems and PPAs where we are the lessor, the cost of revenue is primarily comprised of depreciation of the cost of leased solar energy systems, maintenance costs associated with those systems and amortization of any initial direct costs. 2024 compared to 2023 Cost of energy generation and storage revenue increased \$2.55 billion, or 52%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to increases in Megapack and Powerwall deployments, partially offset by increases in IRA manufacturing credits recognized as compared to the prior year. 39 Gross margin for energy generation and storage increased from 18.9% to 26.2% in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to margin improvements for our energy storage products driven by cost reductions, including benefits from IRA manufacturing credits, and a higher proportion of our storage business, which operated at a higher gross margin, within the segment as compared to the prior periods. Research and Development Expense Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Research and development (\$4,540A \$3,969A \$3,075A \$571A 14A % \$894A 29A %) As a percentage of revenues 5A 4% 4A 4% % Research and development (â€œR&Dâ€) expenses consist primarily of personnel costs for our teams in engineering and research, manufacturing engineering and manufacturing test organizations, prototyping expense, contract and professional services and amortized equipment expense. R&D expenses increased \$571 million, or 14%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023. The overall increases were primarily driven by additional costs year over year related to AI programs. R&D expenses as a percentage of revenue increased from 4% to 5% in the year ended December 31, 2024 as compared to the year ended December 31, 2023 as we continue to expand our product roadmap and technologies. Selling, General and Administrative Expense Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Selling, general and administrative (\$5,150A \$4,800A \$3,946A \$350A 7A % \$854A 22A %) As a percentage of revenues 5A 5% 5A 5% % Selling, general and administrative (â€œSG&Aâ€) expenses generally consist of personnel and facilities costs related to our stores, marketing, sales, executive, finance, human resources, information technology and legal organizations, as well as fees for professional and contract services and litigation settlements. SG&A expenses increased \$350 million, or 7%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to a \$171 million increase in facilities related expenses, a \$115 million increase in employee and labor costs, including professional services and a \$57 million increase in marketing expenses. Restructuring and Other Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Restructuring and other (\$684A \$176A \$684A Not meaningful) (100)% In the second quarter of 2024, we initiated and substantially completed certain restructuring actions to reduce costs and improve efficiency. As a result, we recognized \$583 million of employee termination expenses in Restructuring and other in our consolidated income statement. These expenses were substantially paid with an immaterial accrual remaining in Accrued liabilities and other in our consolidated balance sheet as of December 31, 2024. Interest Income Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Interest income \$1,569A \$1,066A \$297A \$503A 47A % \$769A 259A % Interest income increased \$503 million, or 47%, in the year ended December 31, 2024 as compared to the year ended December 31, 2023, primarily due to higher interest earned on our cash and cash equivalents and short-term investments compared to the prior year due to an increase in our portfolio balance and a higher weighted average interest rate. 40 Other Income (Expense), Net Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Other income (expense), net \$695A \$172A (\$43) \$523A 304% 215A Not meaningful Other income (expense), net, consists of foreign exchange gains and losses related to our foreign currency-denominated monetary assets and liabilities and fair value remeasurements of our digital assets following the adoption of ASU 2023-08 effective January 1, 2024. See Note 2, Summary of Significant Accounting Policies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for further details. Other income (expense), net, changed favorably by \$523 million in the year ended December 31, 2024 as compared to the year ended December 31, 2023 primarily due to remeasurement of our bitcoin digital assets to fair value in 2024 (see above), partially offset by unfavorable fluctuations in foreign currency exchange rates on our intercompany balances. As our intercompany balances are significant in nature and we do not typically hedge foreign currency risk, we can experience significant fluctuations in foreign currency exchange rate gains and losses from period to period. Provision for (Benefit from) Income Taxes Year Ended December 31, 2024 vs. 2023 Change (Dollars in millions) 2024 2023 2022 % % % Provision for (benefit from) income taxes \$1,837A \$5,001A \$1,132A \$6,838A Not meaningful (\$6,133) Not meaningful Effective tax rate 20A % (50%) 8A % Our provision for (benefit from) income taxes changed by \$6.84 billion in the year ended December 31, 2024 as compared to the year ended December 31, 2023. Our effective tax rate changed to an expense of 20% in the year ended December 31, 2024 from a benefit of 50% in the year ended December 31, 2023. These changes are primarily due to the impact of releasing the valuation allowance on our U.S. deferred tax assets in the fourth quarter of 2023. We monitor the realizability of our deferred tax assets taking into account all relevant factors at each reporting period. In the fourth quarter of 2023, based on the relevant weight of positive and negative evidence, including the amount of our taxable income in recent years which was objective and verifiable, and consideration of our expected future taxable earnings, we concluded that it is more likely than not that most of our U.S. federal and certain state deferred tax assets are realizable and released \$6.54 billion of our valuation

allowance. As of December 31, 2024, we continue to conclude that it is more likely than not that our deferred tax assets are realizable, except for our California deferred tax assets, U.S. foreign tax credits and certain foreign operating losses. See Note 13, Income Taxes, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for further details. Liquidity and Capital Resources We expect to continue to generate net positive operating cash flow. The cash we generate from our core operations enables us to fund ongoing operations and production, our research and development projects for new products and technologies including our proprietary battery cells, additional manufacturing ramps at existing manufacturing facilities, the construction of future factories, and the continued expansion of our retail and service locations, body shops, Mobile Service fleet, Supercharger, including to support NACS, energy product installation capabilities and autonomy and other artificial intelligence enabled products. In addition, because a large portion of our future expenditures will be to fund our growth, we expect that if needed we will be able to adjust our capital and operating expenditures by operating segment. For example, if our near-term manufacturing operations decrease in scale or ramp more slowly than expected, including due to global economic or business conditions, we may choose to correspondingly slow the pace of our capital expenditures. Finally, we continually evaluate our cash needs and may decide it is best to raise additional capital or seek alternative financing sources to fund the rapid growth of our business, including through drawdowns on existing or new debt facilities or financing funds. Conversely, we may also from time to time determine that it is in our best interests to voluntarily repay certain indebtedness early. Accordingly, we believe that our current sources of funds will provide us with adequate liquidity during the 12-month period following December 31, 2024, as well as in the long-term. See the sections below for more details regarding the material requirements for cash in our business and our sources of liquidity to meet such needs. Material Cash Requirements From time to time in the ordinary course of business, we enter into agreements with vendors for the purchase of components and raw materials to be used in the manufacture of our products. However, due to contractual terms, variability in the precise growth curves of our development and production ramps, and opportunities to renegotiate pricing, we generally do not have binding and enforceable purchase orders under such contracts beyond the short-term, and the timing and magnitude of purchase orders beyond such period is difficult to accurately project. As discussed in and subject to the considerations referenced in Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations "Management Opportunities, Challenges and Uncertainties and 2025 Outlook" "Cash Flow and Capital Expenditure Trends in this Annual Report on Form 10-K, we currently expect our capital expenditures to support our projects globally to exceed \$11.00 billion in 2025 and in each of the following two fiscal years. As of December 31, 2024, we and our subsidiaries had outstanding \$7.91 billion in aggregate principal amount of indebtedness, of which \$2.35 billion is current. As of December 31, 2024, our total minimum lease payments was \$7.05 billion, of which \$1.19 billion is due in the succeeding 12 months. For details regarding our indebtedness and lease obligations, refer to Note 10, Debt, and Note 11, Leases, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. Sources and Conditions of Liquidity Our sources to fund our material cash requirements are predominantly from our deliveries and servicing of new and used vehicles, sales and installations of our energy storage products, interest income, and proceeds from debt facilities and equity offerings, when applicable. As of December 31, 2024, we had \$16.14 billion and \$20.42 billion of cash and cash equivalents and short-term investments, respectively. Balances held in foreign currencies had a U.S. dollar equivalent of \$2.90 billion and consisted primarily of euros and Chinese yuan. We had \$5.00 billion of unused committed credit amounts as of December 31, 2024. For details regarding our indebtedness, refer to Note 10, Debt, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. We continue adapting our strategy to meet our liquidity and risk objectives, such as investing in U.S. government securities and other investments, invest in autonomy, do more vertical integration, expand our product roadmap and provide financing options to our customers. Summary of Cash Flows ¹ Year Ended December 31, (Dollars in millions) 2024 2023 2022 Net cash provided by operating activities \$14,923 ² \$13,256 ³ \$14,724 Net cash used in investing activities \$(18,787) \$(15,584) \$(11,973) Net cash provided by (used in) financing activities \$3,853 ² \$2,589 ³ \$(3,527) Cash Flows from Operating Activities Our cash flows from operating activities are significantly affected by our cash investments to support the growth of our business in areas such as research and development and selling, general and administrative and working capital. Our operating cash inflows include cash from vehicle sales and related servicing, customer lease and financing payments, customer deposits, cash from sales of regulatory credits and energy generation and storage products, and interest income on our cash and investments portfolio. These cash inflows are offset by our payments to suppliers for production materials and parts used in our manufacturing process, operating expenses, operating lease payments and interest payments on our financings. Net cash provided by operating activities increased by \$1.67 billion to \$14.92 billion during the year ended December 31, 2024 from \$13.26 billion during the year ended December 31, 2023. This increase was primarily due to favorable changes in net operating assets and liabilities of \$2.29 billion, partially offset by a decrease in net income excluding non-cash expenses, gains and losses of \$623 million. Cash Flows from Investing Activities Net cash flows from investing activities and their variability across each period related primarily to capital expenditures, which were \$11.34 billion and \$8.90 billion for the years ended December 31, 2024 and 2023, respectively, mainly for AI-related capital expenditures, global factory expansion and machinery and equipment as we expand and enhance our product roadmap. We also purchased \$7.45 billion and \$6.62 billion of investments, net of proceeds from maturities and sales, for the years ended December 31, 2024 and 2023, respectively. Cash Flows from Financing Activities Net cash flows from financing activities increased by \$1.26 billion to \$3.85 billion during the year ended December 31, 2024 from \$2.59 billion during the year ended December 31, 2023. The increase was primarily due to a \$1.81 billion increase in proceeds from issuances of debt, partially offset by a \$1.15 billion increase in repayments of debt. See Note 10, Debt, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for further details regarding our debt obligations. Additionally, there was an increase of \$541 million in proceeds from exercises of stock options and other stock issuances compared to the prior year. Recent Accounting Pronouncements See Note 2, Summary of Significant Accounting Policies, to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K. 43 ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK Foreign Currency Risk We transact business globally in multiple currencies and hence have foreign currency risks related to our revenue, costs of revenue and operating expenses denominated in currencies other than the U.S. dollar (primarily the Chinese yuan and euro in relation to our current year operations). In general, we are a net receiver of currencies other than the U.S. dollar for our foreign subsidiaries. Accordingly, changes in exchange rates affect our operating results as expressed in U.S. dollars as we do not typically hedge foreign currency risk. We have also experienced, and will continue to experience, fluctuations in our net income as a result of gains (losses) on the settlement and the re-measurement of monetary assets and liabilities denominated in currencies that are not the local currency (primarily consisting of our intercompany and cash and cash equivalents balances). We considered the historical trends in foreign currency exchange rates and determined that it is reasonably possible that adverse changes in foreign currency exchange rates of 10% for all currencies could be experienced in the near-term. These changes were applied to our total monetary assets and liabilities denominated in currencies other than our local currencies at the balance sheet date to compute the impact these changes would have had on our net income before income taxes. These changes would have resulted in a gain or loss of \$1.15 billion at December 31, 2024 and \$1.01 billion at December 31, 2023, assuming no foreign currency hedging. 44 ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA Index to Consolidated Financial Statements Page Report of Independent Registered Public Accounting Firm (PCAOB ID: 238) 46 Consolidated Balance Sheets 48 Consolidated Statements of Operations 49 Consolidated Statements of Comprehensive Income 50 Consolidated Statements of Redeemable Noncontrolling Interests and Equity 51 Consolidated Statements of Cash Flows 52 Notes to Consolidated Financial Statements 53 45 Report of Independent Registered Public Accounting Firm To the Board of Directors and Stockholders of Tesla, Inc. Opinions on the Financial Statements and Internal Control over Financial Reporting We have audited the accompanying consolidated balance sheets of Tesla, Inc. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations, of comprehensive income, of redeemable noncontrolling interests and equity and of cash flows for each of the three years in the period ended December 31, 2024, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO. Change in Accounting Principle As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for digital assets in 2024. Basis for Opinions The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions. 46 Definition and Limitations of Internal Control over Financial Reporting A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Critical Audit Matters The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates. Automotive Warranty Reserve As described in Note 2 to the consolidated financial statements, total accrued warranty, which primarily relates to the automotive segment, was \$6,716 million as of December 31, 2024. The Company provides a manufacturer's warranty on all new and used Tesla vehicles. A warranty reserve is accrued for these products sold, which includes management's best estimate of the projected costs to repair or replace items under warranty and recalls if identified. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. The principal considerations for our determination that performing procedures relating to the automotive warranty reserve is a critical audit matter are (i) the significant judgment by management in determining the automotive warranty reserve for certain Tesla vehicle models; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the nature, frequency and costs of future claims for certain Tesla vehicle models; and, (iii) the audit effort involved the use of professionals with specialized skill and knowledge. Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of the automotive warranty reserve for certain Tesla vehicle models, including controls over management's significant assumptions related to the nature, frequency and costs of future claims as well as the completeness and accuracy of actual claims incurred to date. These procedures also included, among others, (i) testing the completeness and accuracy of historical vehicle claims processed and testing that such claims were appropriately used by management in the estimation of future claims and (ii) the involvement of professionals with specialized skill and knowledge to assist in evaluating the reasonableness of management's estimate by (a) developing an independent estimate of the automotive warranty reserve for certain Tesla vehicle models and (b) comparing the independent estimate to management's estimate. Developing the independent estimate involved evaluating the appropriateness of certain aspects of management's significant assumptions related to the nature and frequency of future claims. As of December 31, 2024, we have served as the Company's auditor since 2005. 47 Tesla, Inc. Consolidated Balance Sheets (in millions, except per share data) December 31, 2024 December 31, 2023 Assets Current assets Cash and cash equivalents \$16,139 ² \$16,398 ³ Short-term investments 20,424 ² 12,696 ³ Accounts receivable, net 4,418 ² 3,508 ³ Inventory 12,017 ² 13,626 ³ Prepaid expenses and other current assets 5,362 ² 3,388 ³ Total current assets 58,360 ² 49,616 ³ Operating lease vehicles, net 5,581 ² 5,989 ³ Solar energy systems, net 4,924 ² 5,229 ³ Property, plant and equipment, net 35,836 ² 29,725 ³ Operating lease right-of-use assets 5,160 ² 4,180 ³ Digital assets, net 1,076 ² 184 ³ Intangible assets, net 150 ² 178 ³ Goodwill 244 ² 253 ³ Deferred tax assets 6,524 ² 6,733 ³ Other non-current assets 4,215 ² 4,531 ³ Total assets \$122,070 ² \$106,618 ³ Liabilities Current liabilities Accounts payable \$12,474 ² \$14,431 ³ Accrued liabilities and other 10,723 ² 9,080 ³ Deferred revenue 3,168 ² 2,864 ³ Current portion of debt and finance leases 2,456 ² 2,373 ³ Total current liabilities 28,821 ² 28,748 ³ Debt and finance leases, net of current portion 5,757 ² 2,857 ³ Deferred revenue, net of current portion 3,317 ² 3,251 ³ Other long-term liabilities 10,495 ² 8,153 ³ Total liabilities \$48,390 ² 43,009 ³ Commitments and contingencies (Note 14) Redeemable noncontrolling interests in subsidiaries 63 ² 242 ³ Equity Stockholders' equity Preferred stock, \$0.001 par value; 100 shares authorized; no shares issued and outstanding ⁴ ⁵ ⁶ ⁷ ⁸ ⁹ ¹⁰ ¹¹ ¹² ¹³ ¹⁴ ¹⁵ ¹⁶ ¹⁷ ¹⁸ ¹⁹ ²⁰ ²¹ ²² ²³ ²⁴ ²⁵ ²⁶ ²⁷ ²⁸ ²⁹ ³⁰ ³¹ ³² ³³ ³⁴ ³⁵ ³⁶ ³⁷ ³⁸ ³⁹ ⁴⁰ ⁴¹ ⁴² ⁴³ ⁴⁴ ⁴⁵ ⁴⁶ ⁴⁷ ⁴⁸ ⁴⁹ ⁵⁰ ⁵¹ ⁵² ⁵³ ⁵⁴ ⁵⁵ ⁵⁶ ⁵⁷ ⁵⁸ ⁵⁹ ⁶⁰ ⁶¹ ⁶² ⁶³ ⁶⁴ ⁶⁵ ⁶⁶ ⁶⁷ ⁶⁸ ⁶⁹ ⁷⁰ ⁷¹ ⁷² ⁷³ ⁷⁴ ⁷⁵ ⁷⁶ ⁷⁷ ⁷⁸ ⁷⁹ ⁸⁰ ⁸¹ ⁸² ⁸³ ⁸⁴ ⁸⁵ ⁸⁶ ⁸⁷ ⁸⁸ ⁸⁹ ⁹⁰ ⁹¹ ⁹² ⁹³ ⁹⁴ ⁹⁵ ⁹⁶ ⁹⁷ ⁹⁸ ⁹⁹ ¹⁰⁰ ¹⁰¹ ¹⁰² ¹⁰³ ¹⁰⁴ ¹⁰⁵ ¹⁰⁶ ¹⁰⁷ ¹⁰⁸ ¹⁰⁹ ¹¹⁰ ¹¹¹ ¹¹² ¹¹³ ¹¹⁴ ¹¹⁵ ¹¹⁶ ¹¹⁷ ¹¹⁸ ¹¹⁹ ¹²⁰ ¹²¹ ¹²² ¹²³ ¹²⁴ ¹²⁵ ¹²⁶ ¹²⁷ ¹²⁸ ¹²⁹ ¹³⁰ ¹³¹ ¹³² ¹³³ ¹³⁴ ¹³⁵ ¹³⁶ ¹³⁷ ¹³⁸ ¹³⁹ ¹⁴⁰ ¹⁴¹ ¹⁴² ¹⁴³ ¹⁴⁴ ¹⁴⁵ ¹⁴⁶ ¹⁴⁷ ¹⁴⁸ ¹⁴⁹ ¹⁵⁰ ¹⁵¹ ¹⁵² ¹⁵³ ¹⁵⁴ ¹⁵⁵ ¹⁵⁶ ¹⁵⁷ ¹⁵⁸ ¹⁵⁹ ¹⁶⁰ ¹⁶¹ ¹⁶² ¹⁶³ ¹⁶⁴ ¹⁶⁵ ¹⁶⁶ ¹⁶⁷ ¹⁶⁸ ¹⁶⁹ ¹⁷⁰ ¹⁷¹ ¹⁷² ¹⁷³ ¹⁷⁴ ¹⁷⁵ ¹⁷⁶ ¹⁷⁷ ¹⁷⁸ ¹⁷⁹ ¹⁸⁰ ¹⁸¹ ¹⁸² ¹⁸³ ¹⁸⁴ ¹⁸⁵ ¹⁸⁶ ¹⁸⁷ ¹⁸⁸ ¹⁸⁹ ¹⁹⁰ ¹⁹¹ ¹⁹² ¹⁹³ ¹⁹⁴ ¹⁹⁵ ¹⁹⁶ ¹⁹⁷ ¹⁹⁸ ¹⁹⁹ ²⁰⁰ ²⁰¹ ²⁰² ²⁰³ ²⁰⁴ ²⁰⁵ ²⁰⁶ ²⁰⁷ ²⁰⁸ ²⁰⁹ ²¹⁰ ²¹¹ ²¹² ²¹³ ²¹⁴ ²¹⁵ ²¹⁶ ²¹⁷ ²¹⁸ ²¹⁹ ²²⁰ ²²¹ ²²² ²²³ ²²⁴ ²²⁵ ²²⁶ ²²⁷ ²²⁸ ²²⁹ ²³⁰ ²³¹ ²³² ²³³ ²³⁴ ²³⁵ ²³⁶ ²³⁷ ²³⁸ ²³⁹ ²⁴⁰ ²⁴¹ ²⁴² ²⁴³ ²⁴⁴ ²⁴⁵ ²⁴⁶ ²⁴⁷ ²⁴⁸ ²⁴⁹ ²⁵⁰ ²⁵¹ ²⁵² ²⁵³ ²⁵⁴ ²⁵⁵ ²⁵⁶ ²⁵⁷ ²⁵⁸ ²⁵⁹ ²⁶⁰ ²⁶¹ ²⁶² ²⁶³ ²⁶⁴ ²⁶⁵ ²⁶⁶ ²⁶⁷ ²⁶⁸ ²⁶⁹ ²⁷⁰ ²⁷¹ ²⁷² ²⁷³ ²⁷⁴ ²⁷⁵ ²⁷⁶ ²⁷⁷ ²⁷⁸ ²⁷⁹ ²⁸⁰ ²⁸¹ ²⁸² ²⁸³ ²⁸⁴ ²⁸⁵ ²⁸⁶ ²⁸⁷ ²⁸⁸ ²⁸⁹ ²⁹⁰ ²⁹¹ ²⁹² ²⁹³ ²⁹⁴ ²⁹⁵ ²⁹⁶ ²⁹⁷ ²⁹⁸ ²⁹⁹ ³⁰⁰ ³⁰¹ ³⁰² ³⁰³ ³⁰⁴ ³⁰⁵ ³⁰⁶ ³⁰⁷ ³⁰⁸ ³⁰⁹ ³¹⁰ ³¹¹ ³¹² ³¹³ ³¹⁴ ³¹⁵ ³¹⁶ ³¹⁷ ³¹⁸ ³¹⁹ ³²⁰ ³²¹ ³²² ³²³ ³²⁴ ³²⁵ ³²⁶ ³²⁷ ³²⁸ ³²⁹ ³³⁰ ³³¹ ³³² ³³³ ³³⁴ ³³⁵ ³³⁶ ³³⁷ ³³⁸ ³³⁹ ³⁴⁰ ³⁴¹ ³⁴² ³⁴³ ³⁴⁴ ³⁴⁵ ³⁴⁶ ³⁴⁷ ³⁴⁸ ³⁴⁹ ³⁵⁰ ³⁵¹ ³⁵² ³⁵³ ³⁵⁴ ³⁵⁵ ³⁵⁶ ³⁵⁷ ³⁵⁸ ³⁵⁹ ³⁶⁰ ³⁶¹ ³⁶² ³⁶³ ³⁶⁴ ³⁶⁵ ³⁶⁶ ³⁶⁷ ³⁶⁸ ³⁶⁹ ³⁷⁰ ³⁷¹ ³⁷² ³⁷³ ³⁷⁴ ³⁷⁵ ³⁷⁶ ³⁷⁷ ³⁷⁸ ³⁷⁹ ³⁸⁰ ³⁸¹ ³⁸² ³⁸³ ³⁸⁴ ³⁸⁵ ³⁸⁶ ³⁸⁷ ³⁸⁸ ³⁸⁹ ³⁹⁰ ³⁹¹ ³⁹² ³⁹³ ³⁹⁴ ³⁹⁵ ³⁹⁶ ³⁹⁷ ³⁹⁸ ³⁹⁹ ⁴⁰⁰ ⁴⁰¹ ⁴⁰² ⁴⁰³ ⁴⁰⁴ ⁴⁰⁵ ⁴⁰⁶ ⁴⁰⁷ ⁴⁰⁸ ⁴⁰⁹ ⁴¹⁰ ⁴¹¹ ⁴¹² ⁴¹³ ⁴¹⁴ ⁴¹⁵ ⁴¹⁶ ⁴¹⁷ ⁴¹⁸ ⁴¹⁹ ⁴²⁰ ⁴²¹ ⁴²² ⁴²³ ⁴²⁴ ⁴²⁵ ⁴²⁶ ⁴²⁷ ⁴²⁸ ⁴²⁹ ⁴³⁰ ⁴³¹ ⁴³² ⁴³³ ⁴³⁴ ⁴³⁵ ⁴³⁶ ⁴³⁷ ⁴³⁸ ⁴³⁹ ⁴⁴⁰ ⁴⁴¹ ⁴⁴² ⁴⁴³ ⁴⁴⁴ ⁴⁴⁵ ⁴⁴⁶ ⁴⁴⁷ ⁴⁴⁸ ⁴⁴⁹ ⁴⁵⁰ ⁴⁵¹ ⁴⁵² ⁴⁵³ ⁴⁵⁴ ⁴⁵⁵ ⁴⁵⁶ ⁴⁵⁷ ⁴⁵⁸ ⁴⁵⁹ ⁴⁶⁰ ⁴⁶¹ ⁴⁶² ⁴⁶³ ⁴⁶⁴ ⁴⁶⁵ ⁴⁶⁶ ⁴⁶⁷ ⁴⁶⁸ ⁴⁶⁹ ⁴⁷⁰ ⁴⁷¹ ⁴⁷² ⁴⁷³ ⁴⁷⁴ ⁴⁷⁵ ⁴⁷⁶ ⁴⁷⁷ ⁴⁷⁸ ⁴⁷⁹ ⁴⁸⁰ ⁴⁸¹ ⁴⁸² ⁴⁸³ ⁴⁸⁴ ⁴⁸⁵ ⁴⁸⁶ ⁴⁸⁷ ⁴⁸⁸ ⁴⁸⁹ ⁴⁹⁰ ⁴⁹¹ ⁴⁹² ⁴⁹³ ⁴⁹⁴ ⁴⁹⁵ ⁴⁹⁶ ⁴⁹⁷ ⁴⁹⁸ ⁴⁹⁹ ⁵⁰⁰ ⁵⁰¹ ⁵⁰² ⁵⁰³ ⁵⁰⁴ ⁵⁰⁵ ⁵⁰⁶ ⁵⁰⁷ ⁵⁰⁸ ⁵⁰⁹ ⁵¹⁰ ⁵¹¹ ⁵¹² ⁵¹³ ⁵¹⁴ ⁵¹⁵ ⁵¹⁶ ⁵¹⁷ ⁵¹⁸ ⁵¹⁹ ⁵²⁰ ⁵²¹ ⁵²² ⁵²³ ⁵²⁴ ⁵²⁵ ⁵²⁶ ⁵²⁷ ⁵²⁸ ⁵²⁹ ⁵³⁰ ⁵³¹ ⁵³² ⁵³³ ⁵³⁴ ⁵³⁵ ⁵³⁶ ⁵³⁷ ⁵³⁸ ⁵³⁹ ⁵⁴⁰ ⁵⁴¹ ⁵⁴² ⁵⁴³ ⁵⁴⁴ ⁵⁴⁵ ⁵⁴⁶ ⁵⁴⁷ ⁵⁴⁸ ⁵⁴⁹ ⁵⁵⁰ ⁵⁵¹ ⁵⁵² ⁵⁵³ ⁵⁵⁴ ⁵⁵⁵ ⁵⁵⁶ ⁵⁵⁷ ⁵⁵⁸ ⁵⁵⁹ ⁵⁶⁰ ⁵⁶¹ ⁵⁶² ⁵⁶³ ⁵⁶⁴ ⁵⁶⁵ ⁵⁶⁶ ⁵⁶⁷ ⁵⁶⁸ ⁵⁶⁹ ⁵⁷⁰ ⁵⁷¹ ⁵⁷² ⁵⁷³ ⁵⁷⁴ ⁵⁷⁵ ⁵⁷⁶ ⁵⁷⁷ ⁵⁷⁸ ⁵⁷⁹ ⁵⁸⁰ ⁵⁸¹ ⁵⁸² ⁵⁸³ ⁵⁸⁴ ⁵⁸⁵ ⁵⁸⁶ ⁵⁸⁷ ⁵⁸⁸ ⁵⁸⁹ ⁵⁹⁰ ⁵⁹¹ ⁵⁹² ⁵⁹³ ⁵⁹⁴ ⁵⁹⁵ ⁵⁹⁶ ⁵⁹⁷ ⁵⁹⁸ ⁵⁹⁹ ⁶⁰⁰ ⁶⁰¹ ⁶⁰² ⁶⁰³ ⁶⁰⁴ ⁶⁰⁵ ⁶⁰⁶ ⁶⁰⁷ ⁶⁰⁸ ⁶⁰⁹ ⁶¹⁰ ⁶¹¹ ⁶¹² ⁶¹³ ⁶¹⁴ ⁶¹⁵ ⁶¹⁶ ⁶¹⁷ ⁶¹⁸ ⁶¹⁹ ⁶²⁰ ⁶²¹ ⁶²² ⁶²³ ⁶²⁴ ⁶²⁵ ⁶²⁶ ⁶²⁷ ⁶²⁸ ⁶²⁹ ⁶³⁰ ⁶³¹ ⁶³² ⁶³³ ⁶³⁴ ⁶³⁵ ⁶³⁶ ⁶³⁷ ⁶³⁸ ⁶³⁹ ⁶⁴⁰ ⁶⁴¹ ⁶⁴² ⁶⁴³ ⁶⁴⁴ ⁶⁴⁵ ⁶⁴⁶ ⁶⁴⁷ ⁶⁴⁸ ⁶⁴⁹ ⁶⁵⁰ ⁶⁵¹ ⁶⁵² ⁶⁵³ ⁶⁵⁴ ⁶⁵⁵ ⁶⁵⁶ ⁶⁵⁷ ⁶⁵⁸ ⁶⁵⁹ ⁶⁶⁰ ⁶⁶¹ ⁶⁶² ⁶⁶³ ⁶⁶⁴ ⁶⁶⁵ ⁶⁶⁶ ⁶⁶⁷ ⁶⁶⁸ ⁶⁶⁹ ⁶⁷⁰ ⁶⁷¹ ⁶⁷² ⁶⁷³ ⁶⁷⁴ ⁶⁷⁵ ⁶⁷⁶ ⁶⁷⁷ ⁶⁷⁸ ⁶⁷⁹ ⁶⁸⁰ ⁶⁸¹ ⁶⁸² ⁶⁸³ ⁶⁸⁴ ⁶⁸⁵ ⁶⁸⁶ ⁶⁸⁷ ⁶⁸⁸ ⁶⁸⁹ ⁶⁹⁰ ⁶⁹¹ ⁶⁹² ⁶⁹³ ⁶⁹⁴ ⁶⁹⁵ ⁶⁹⁶ ⁶⁹⁷ ⁶⁹⁸ ⁶⁹⁹ ⁷⁰⁰ ⁷⁰¹ ⁷⁰² ⁷⁰³ ⁷⁰⁴ ⁷⁰⁵ ⁷⁰⁶ ⁷⁰⁷ ⁷⁰⁸ ⁷⁰⁹ ⁷¹⁰ ⁷¹¹ ⁷¹² ⁷¹³ ⁷¹⁴ ⁷¹⁵ ⁷¹⁶ ⁷¹⁷ ⁷¹⁸ ⁷¹⁹ ⁷²⁰ ⁷²¹ ⁷²² ⁷²³ ⁷²⁴ ⁷²⁵ ⁷²⁶ ⁷²⁷ ⁷²⁸ ⁷²⁹ ⁷³⁰ ⁷³¹ ⁷³² ⁷³³ ⁷³⁴ ⁷³⁵ ⁷³⁶ ⁷³⁷ ⁷³⁸ ⁷³⁹ ⁷⁴⁰ ⁷⁴¹ ⁷⁴² ⁷⁴³ ⁷⁴

premiums, which is recognized as revenue ratably over the respective customer contract term. Deferred revenue excluding unearned insurance premiums was not material as of December 31, 2024 and 2023. Energy Generation and Storage Segment Energy generation and storage sales revenue consists of the sale of solar energy systems and energy storage systems to residential, small commercial, large commercial and utility grade customers. Sales of solar energy systems to residential and small-scale commercial customers consist of the engineering, design and installation of the system. Residential and small-scale commercial customers pay the full purchase price of the solar energy system upfront. Revenue for the design and installation obligation is recognized when control transfers, which is when we install a solar energy system and the system passes inspection by the utility or the authority having jurisdiction. Sales of energy storage systems to residential and small-scale commercial customers consist of the installation of the energy storage system and revenue is recognized when control transfers, which is when the product has been delivered or, if we are performing installation, when installed and commissioned. Payment for such storage systems is made upon invoice or in accordance with payment terms customary to the business. 56 For certain large commercial and utility grade energy storage system sales which consist of the engineering, design and installation of the system, customers make milestone payments that are consistent with contract-specific phases of a project. Revenue from such contracts is recognized over time using the percentage of completion method based on cost incurred as a percentage of total estimated contract costs for energy storage system sales. In instances where there are multiple performance obligations in a single contract, we allocate the consideration to the various obligations in the contract based on the relative standalone selling price method. Standalone selling prices are estimated based on estimated costs plus margin or by using market data for comparable products. Costs to obtain a contract relate mainly to commissions paid to our sales personnel related to the sale of energy storage systems. As our contract costs related to energy storage system sales are typically fulfilled within one year, the costs to obtain a contract are expensed as incurred. As part of certain energy storage system contracts, we may provide the customer with performance guarantees that warrant that the underlying system will meet or exceed the minimum energy performance requirements specified in the contract. If an energy storage system does not meet the performance guarantee requirements, we may be required to pay liquidated damages. Other forms of variable consideration related to our large commercial and utility grade energy storage system contracts include variable customer payments that will be made based on our energy market participation activities. Such guarantees and variable customer payments represent a form of variable consideration and are estimated at contract inception at their most likely amount and updated at the end of each reporting period as additional performance data becomes available. Such estimates are included in the transaction price only to the extent that it is probable a significant reversal of revenue will not occur. We record as deferred revenue any non-refundable amounts that are primarily related to prepayments from customers, which is recognized as revenue as or when the performance obligations are satisfied. As of December 31, 2024 and 2023, deferred revenue related to such customer payments amounted to \$1.77 billion and \$1.60 billion, respectively, mainly due to contractual payment terms. Revenue recognized from the deferred revenue balance as of December 31, 2023 and 2022 was \$1.27 billion and \$571 million for the years ended December 31, 2024 and 2023, respectively. We have elected the practical expedient to omit disclosure of the amount of the transaction price allocated to remaining performance obligations for energy generation and storage sales with an original expected contract length of one year or less and the amount that we have the right to invoice when that amount corresponds directly with the value of the performance to date. As of December 31, 2024, total transaction price allocated to performance obligations that were unsatisfied or partially unsatisfied for contracts with an original expected length of more than one year was \$7.18 billion. Of this amount, we expect to recognize \$4.51 billion in the next 12 months and the rest over the remaining performance obligation period. We have financing receivables on our consolidated balance sheets related to loans we provide for financing our energy products. As of December 31, 2024 and 2023, we had current net financing receivables of \$34 million and \$31 million, respectively, in Accounts receivable, net, and \$658 million and \$578 million, respectively, in Other non-current assets for the long-term portion. Energy Generation and Storage Leasing For revenue arrangements where we are the lessor under operating lease agreements for energy generation and storage products, we record lease revenue from minimum lease payments, including upfront rebates and incentives earned from such systems, on a straight-line basis over the life of the lease term, assuming all other revenue recognition criteria have been met. The difference between the payments received and the revenue recognized is recorded as deferred revenue or deferred asset on the consolidated balance sheet. For solar energy systems where customers purchase electricity from us under PPAs prior to January 1, 2019, we have determined that these agreements should be accounted for as operating leases pursuant to ASC 840, Leases. Revenue is recognized based on the amount of electricity delivered at rates specified under the contracts, assuming all other revenue recognition criteria are met. We record as deferred revenue any amounts that are collected from customers, including lease prepayments, in excess of revenue recognized, which is recognized as revenue ratably over the respective customer contract term. As of December 31, 2024 and 2023, deferred revenue related to such customer payments amounted to \$164 million and \$181 million, respectively. Deferred revenue also includes the portion of rebates and incentives received from utility companies and various local and state government agencies, which is recognized as revenue over the lease term. As of December 31, 2024 and 2023, deferred revenue from rebates and incentives was immaterial. 57 We capitalize initial direct costs from the execution of agreements for solar energy systems and PPAs, which include the referral fees and sales commissions, as an element of solar energy systems, net, and subsequently amortize these costs over the term of the related agreements. Cost of Revenues Automotive Segment Automotive Sales Cost of automotive sales revenue includes direct and indirect materials, labor costs, manufacturing overhead, including depreciation costs of tooling and machinery, shipping and logistic costs, vehicle connectivity costs, FSD (Supervised) ongoing maintenance costs, electricity costs for our free Supercharging programs and reserves for estimated warranty expenses. Cost of automotive sales revenues also includes adjustments to warranty expense and charges to write down the carrying value of our inventory when it exceeds its estimated net realizable value and to provide for obsolete and on-hand inventory in excess of forecasted demand. Additionally, cost of automotive sales revenue benefits from manufacturing credits earned, amounting to \$625 million and \$359 million for the years ended December 31, 2024 and 2023, respectively. Automotive Leasing Cost of automotive leasing revenue includes the depreciation of operating lease vehicles, cost of goods sold associated with direct sales-type leases and warranty expense related to leased vehicles. Services and Other Costs of services and other revenue includes cost of used vehicles including refurbishment costs, costs associated with providing non-warranty after-sales services, costs associated with our body shops and part sales, costs of paid Supercharging, costs to provide vehicle insurance and costs of retail merchandise sales. Energy Generation and Storage Segment Energy Generation and Storage Cost of energy generation and storage revenue includes direct and indirect material and labor costs, manufacturing overhead, including depreciation costs of tooling and machinery, freight, warranty expense, and cost of servicing. Cost of energy generation and storage revenue also includes charges to write down the carrying value of our inventory when it exceeds its estimated net realizable value and to provide for obsolete and on-hand inventory in excess of forecasted demand. Additionally, cost of energy generation and storage revenue benefits from manufacturing credits earned, amounting to \$756 million and \$115 million for the years ended December 31, 2024 and 2023, respectively. In agreements for solar energy systems and PPAs where we are the lessor, the cost of revenue is primarily comprised of depreciation of the cost of leased solar energy systems, maintenance costs associated with those systems and amortization of any initial direct costs. Research and Development Costs Research and development costs are expensed as incurred. Income Taxes We are subject to income taxes in the U.S. and in many foreign jurisdictions. Income taxes are computed using the asset and liability method, under which deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. 58 Significant judgment is required in determining our provision for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets that are not more likely than not to be realized. We monitor the realizability of our deferred tax assets taking into account all relevant factors at each reporting period. In completing our assessment of realizability of our deferred tax assets, we consider our history of income (loss) measured at pre-tax income (loss) adjusted for permanent book-tax differences on a jurisdictional basis, volatility in actual earnings, excess tax benefits related to stock-based compensation in recent prior years and impacts of the timing of reversal of existing temporary differences. We also rely on our assessment of the Company's projected future results of business operations, including uncertainty in future operating results relative to historical results, volatility in the market price of our common stock and its performance over time, variable macroeconomic conditions impacting our ability to forecast future taxable income, and changes in business that may affect the existence and magnitude of future taxable income. Our valuation allowance assessment is based on our best estimate of future results considering all available information. We record liabilities related to uncertain tax positions when, despite our belief that our tax return positions are supportable, we believe that it is more likely than not that those positions may not be fully sustained upon review by tax authorities. Accrued interest and penalties related to unrecognized tax benefits are classified as income tax expense. The Tax Cuts and Jobs Act subjects a U.S. shareholder to tax on global intangible low-taxed income ("GILTI") earned by certain foreign subsidiaries. Under GAAP, we can make an accounting policy election to either treat taxes due on the GILTI inclusion as a current period expense or factor such amounts into our measurement of deferred taxes. We elected the deferred method, under which we recorded the corresponding deferred tax assets and liabilities in our consolidated balance sheets. Comprehensive Income Comprehensive income is comprised of net income and other comprehensive income (loss). Other comprehensive income (loss) consists of foreign currency translation adjustments and unrealized net gains and losses on investments that have been excluded from the determination of net income. Stock-Based Compensation We use the fair value method of accounting for our stock options and RSUs granted to employees and for our ESPP to measure the cost of employee services received in exchange for the stock-based awards. The fair value of stock option awards with only service and/or performance conditions is estimated on the grant or offering date using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires inputs such as the risk-free interest rate, expected term and expected volatility. These inputs are subjective and generally require significant judgment. The fair value of RSUs is measured on the grant date based on the closing fair market value of our common stock. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the awards, usually the vesting period, which is generally four years for stock options and RSUs and six months for the ESPP. Stock-based compensation expense is recognized on a straight-line basis, net of actual forfeitures in the period. For performance-based awards, stock-based compensation expense is recognized over the expected performance achievement period of individual performance milestones when the achievement of each individual performance milestone becomes probable. As we accumulate additional employee stock-based awards data over time and as we incorporate market data related to our common stock, we may calculate significantly different volatilities and expected lives, which could materially impact the valuation of our stock-based awards and the stock-based compensation expense that we will recognize in future periods. Stock-based compensation expense is recorded in Cost of revenues, Research and development expense and Selling, general and administrative expense in the consolidated statements of operations. 59 Noncontrolling Interests and Redeemable Noncontrolling Interests Noncontrolling interests and redeemable noncontrolling interests represent third-party interests in the net assets under certain funding arrangements, or funds, that we have entered into to finance the costs of solar energy systems and vehicles under operating leases. We have determined that the contractual provisions of the funds represent substantive profit-sharing arrangements. We have further determined that the methodology for calculating the noncontrolling interest and redeemable noncontrolling interest balances that reflects the substantive profit-sharing arrangements is a balance sheet approach using the hypothetical liquidation at book value ("HLBV") method. We, therefore, determine the amount of the noncontrolling interests and redeemable noncontrolling interests in the net assets of the funds at each balance sheet date using the HLBV method, which is presented on the consolidated balance sheet as noncontrolling interests in subsidiaries and redeemable noncontrolling interests in subsidiaries. Under the HLBV method, the amounts reported as noncontrolling interests and redeemable noncontrolling interests in the consolidated balance sheet represent the amounts the third parties would hypothetically receive at each balance sheet date under the liquidation provisions of the funds, assuming the net assets of the funds were liquidated at their recorded amounts determined in accordance with GAAP and with tax laws effective at the balance sheet date and distributed to the third parties. The third parties' interests in the results of operations of the funds are determined as the difference in the noncontrolling interest and redeemable noncontrolling interest balances in the consolidated balance sheets between the start and end of each reporting period, after taking into account any capital transactions between the funds and the third parties. However, the redeemable noncontrolling interest balance is at least equal to the redemption amount. The redeemable noncontrolling interest balance is presented as temporary equity in the mezzanine section of the consolidated balance sheet since these third parties have the right to redeem their interests in the funds for cash or other assets. Net Income per Share of Common Stock Attributable to Common Stockholders Basic net income per share of common stock attributable to common stockholders is calculated by dividing net income attributable to common stockholders by the weighted-average shares of common stock outstanding for the period. Potentially dilutive shares, which are based on the weighted-average shares of common stock underlying outstanding stock-based awards, warrants and convertible senior notes using the treasury stock method or the if-converted method, as applicable, are included when calculating diluted net income per share of common stock attributable to common stockholders when their effect is dilutive. The following table presents the reconciliation of net income attributable to common stockholders to net income used in computing basic and diluted net income per share of common stock (in millions): Year Ended December 31, 2024 2023 2022 Net income attributable to common stockholders \$7,091A \$14,997A \$12,556A Less: Buy-outs of noncontrolling interests (39)(2)(27) Net income used in computing basic net income per share of common stock 7,130A 14,999A 12,583A Less: Dilutive convertible debt ("AC") A A Net income used in computing diluted net income per share of common stock \$7,130A \$14,999A \$12,584A 60 The following table presents the reconciliation of basic to diluted weighted average shares used in computing net income per share of common stock attributable to common stockholders (in millions): Year Ended December 31, 2024 2023 2022 Weighted average shares used in computing net income per share of common stock basic 3,173,174,130 Add: Stock-based awards 292,298,310 Convertible senior notes 123 Warrants 81132 Weighted average shares used in computing net income per share of common stock, diluted 3,498,3,485,475 The following table presents the potentially dilutive shares that were excluded from the computation of diluted net income per share of common stock attributable to common stockholders, because their effect was anti-dilutive (in millions): Year Ended December 31, 2024 2023 2022 Stock-based awards 151,244 Cash and Cash Equivalents All highly liquid investments with an original maturity of three months or less at the date of purchase are considered cash equivalents. Restricted Cash We maintain certain cash balances restricted as to withdrawal or use. Our restricted cash is comprised primarily of cash held to service certain payments under various secured debt facilities, cash held as collateral for sales to lease partners with a resale value guarantee and deposits held for our insurance services. We record restricted cash as other assets in the consolidated balance sheets and determine current or non-current classification based on the expected duration of the restriction. Our total cash and cash equivalents and restricted cash, as presented in the consolidated statements of cash flows, was as follows (in millions): December 31, 2024 December 31, 2023 December 31, 2022 Cash and cash equivalents \$16,139A \$16,398A \$16,253A Restricted cash included in prepaid expenses and other current assets 494A 543A 294A Restricted cash included in other non-current assets 404A 248A 377A Total as presented in the consolidated statements of cash flows \$17,037A \$17,189A \$16,924A Investments Our investments are all designated as available-for-sale and reported at estimated fair value, with unrealized gains and losses recorded in accumulated other comprehensive loss which is included within stockholders' equity. Available-for-sale marketable securities with maturities greater than three months at the date of purchase are included in short-term investments in our consolidated balance sheets. Interest, dividends, amortization and accretion of purchase premiums and discounts on these investments are included in Interest income in our consolidated statements of operations. Interest income on our short-term investments for the years ended December 31, 2024, 2023 and 2022 was \$763 million, \$388 million and an immaterial amount, respectively. 61 The cost of available-for-sale investments sold is based on the specific identification method. Realized gains and losses on the sale of available-for-sale investments are recorded in Other income (expense), net. We regularly review all of our investments for declines in fair value. The review includes but is not limited to (i) the consideration of the cause of the decline, (ii) any currently recorded expected credit losses and (iii) the creditworthiness of the respective security issuers. The amortized cost basis of our investments approximates its fair value. Accounts Receivable and Allowance for Doubtful Accounts Accounts receivable primarily include amounts related to receivables from financial institutions and leasing companies offering various financing products to our customers, sales of energy generation and storage products, sales of regulatory credits to other automotive manufacturers and government rebates already passed through to customers. We provide an allowance against accounts receivable for the amount we expect to be uncollectible. We write-off accounts receivable against the allowance when they are deemed uncollectible. Depending on the day of the week on which the end of a fiscal quarter falls, our accounts receivable balance may fluctuate as we are waiting for certain customer payments to clear through our banking institutions and receipts of payments from our financing partners, which can take up to approximately two weeks based on the contractual payment terms with such partners. Our accounts receivable balances associated with sales of energy storage products are dependent on billing milestones

and payment terms negotiated for each contract, and our accounts receivable balances associated with our sales of regulatory credits are dependent on contractual payment terms. Additionally, government rebates can take up to a year or more to be collected depending on the customary processing timelines of the specific jurisdictions issuing them. These various factors may have a significant impact on our accounts receivable balance from period to period. As of December 31, 2024 and 2023, government rebates receivable was \$315 million and \$378 million, respectively, in Accounts receivable, net for the current portion and an immaterial amount and \$207 million, respectively, in Other non-current assets for the long-term portion in our consolidated balance sheets. **Financing Receivables** We provide financing options to our customers for our automotive and energy products. Financing receivables are carried at amortized cost, net of allowance for loan losses. Provisions for loan losses are charged to operations in amounts sufficient to maintain the allowance for loan losses at levels considered adequate to cover expected credit losses on the financing receivables. In determining expected credit losses, we consider our historical level of credit losses, current economic trends, and reasonable and supportable forecasts that affect the collectability of the future cash flows. Interest income on financing receivables is recognized over the loan term as revenue in the consolidated statements of operations. When originating consumer receivables, we review the credit application, the proposed contract terms, credit bureau information (e.g., FICO score) and other information. Our evaluation emphasizes the applicant's ability to pay and creditworthiness focusing on payment, affordability, and applicant credit history as key considerations. Generally, all customers in this portfolio have strong creditworthiness at loan origination. After origination, we review the credit quality of retail financing based on customer payment activity and aging analysis. For all financing receivables, we define a 'past due' as any payment, including principal and interest, which is at least 31 days past the contractual due date. As of December 31, 2024 and 2023, the vast majority of our financing receivables were at current status with an immaterial balance being past due. As of December 31, 2024 and 2023, the majority of our financing receivables, excluding MyPower notes receivable, were originated in 2023 and 2022. We have customer notes receivable under the legacy MyPower loan program, which provided residential customers with the option to finance the purchase of a solar energy system through a 30-year loan and were all originated prior to year 2018. The outstanding balances, net of any allowance for expected credit losses, are presented on the consolidated balance sheets as a component of Prepaid expenses and other current assets for the current portion and as Other non-current assets for the long-term portion. As of December 31, 2024 and 2023, the total outstanding balance of MyPower customer notes receivable, net of allowance for expected credit losses, was \$248 million and \$266 million, respectively, of which \$4 million and \$5 million were due in the next 12 months as of December 31, 2024 and 2023, respectively. As of December 31, 2024 and 2023, the allowance for expected credit losses was \$33 million and \$36 million, respectively. **62 Concentration of Risk** Credit Risk Financial instruments that potentially subject us to concentration of credit risk consist of cash, cash equivalents, investments, restricted cash, accounts receivable and other finance receivables. Our cash and investments balances are primarily on deposit at high credit quality financial institutions or invested in highly rated, investment-grade securities. These deposits are typically in excess of insured limits. As of December 31, 2024 and 2023, no entity represented 10% or more of our total receivables balance. **Supply Risk** We are dependent on our suppliers, including single source suppliers, and the inability of these suppliers to deliver necessary components of our products in a timely manner at prices, quality levels and volumes acceptable to us, or our inability to efficiently manage these components from these suppliers, could have a material adverse effect on our business, prospects, financial condition and operating results. **Inventory Valuation** Inventories are stated at the lower of cost or net realizable value. Cost is computed using standard cost for vehicles and energy products, which approximates actual cost on a first-in, first-out basis. We record inventory write-downs for excess or obsolete inventories based upon assumptions about current and future demand forecasts. If our inventory on-hand is in excess of our future demand forecast, the excess amounts are written-off. We also review our inventory to determine whether its carrying value exceeds the net amount realizable upon the ultimate sale of the inventory. This requires us to determine the estimated selling price of our vehicles less the estimated cost to convert the inventory on-hand into a finished product. Once inventory is written-down, a new, lower cost basis for that inventory is established and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis. Should our estimates of future selling prices or production costs change, additional and potentially material write-downs may be required. A small change in our estimates may result in a material charge to our reported financial results. **Operating Lease Vehicles** Vehicles that are leased as part of our direct vehicle leasing program are classified as operating lease vehicles at cost less accumulated depreciation. We generally depreciate their cost, less residual value, using the straight-line method to cost of automotive leasing revenue over the contractual period. The gross cost of operating lease vehicles as of December 31, 2024 and 2023 was \$7.03 billion and \$7.36 billion, respectively. Operating lease vehicles on the consolidated balance sheets are presented net of accumulated depreciation of \$1.45 billion and \$1.38 billion as of December 31, 2024 and 2023, respectively. **Digital Assets, Net** We account for all digital assets held as crypto assets, a subset of indefinite-lived intangible assets in accordance with ASC 350-60, Intangibles - Goodwill and Other - Crypto Assets. We have ownership of and control over our digital assets and we may use third-party custodial services to secure it. The digital assets are initially recorded at cost and are subsequently remeasured on the consolidated balance sheet at fair value. Periods prior to January 1, 2024 include digital assets at cost, net of impairment losses incurred since their acquisition. We determine and record the fair value of our digital assets in accordance with ASC 820, Fair Value Measurement (â€œASC 820â€), based on quoted prices on the active exchange(s) that we have determined is the principal market for such assets (Level I inputs). We determine the cost basis of our digital assets using the specific identification of each unit received. Realized and unrealized gains and losses are now recorded to Other income (expense), net in our consolidated statement of operations. **63 For** Periods prior to January 1, 2024, impairment losses were recognized within Restructuring and other in the consolidated statements of operations in the period in which the impairment was identified. Also for periods prior to January 1, 2024, gains were not recorded until realized upon sale(s), at which point they were presented net of any impairment losses for the same digital assets held within Restructuring and other. In determining the gain to be recognized upon sale, we calculate the difference between the sales price and carrying value of the digital assets sold immediately prior to sale. See Note 3, Digital Assets, Net, for further information regarding digital assets. **Solar Energy Systems, Net** We are the lessor of solar energy systems, which are stated at cost less accumulated depreciation. Depreciation of solar energy systems is calculated using the straight-line method over the estimated useful lives of 30 to 35 years. The gross cost of solar energy systems as of December 31, 2024 and 2023 was \$6.79 billion and \$6.87 billion, respectively. Solar energy systems on the consolidated balance sheets are presented net of accumulated depreciation of \$1.86 billion and \$1.64 billion as of December 31, 2024 and 2023, respectively. **Property, Plant and Equipment, Net** Property, plant and equipment, net, including leasehold improvements, are recognized at cost less accumulated depreciation. Depreciation is generally computed using the straight-line method over the estimated useful lives of the respective assets, as follows: Machinery, equipment, vehicles and office furniture 3 to 15 years; Tooling 4 to 7 years; Building and building improvements 15 to 30 years; Computer equipment and software 3 to 6 years; AI infrastructure 5 to 30 years. Leasehold improvements are depreciated on a straight-line basis over their estimated useful lives. AI infrastructure includes our owned data centers. Upon the retirement or sale of our property, plant and equipment, the cost and associated accumulated depreciation are removed from the consolidated balance sheet, and the resulting gain or loss is reflected on the consolidated statement of operations. Maintenance and repair expenditures are expensed as incurred while major improvements that increase the functionality, output or expected life of an asset are capitalized and depreciated ratably over the identified useful life. **Long-Lived Assets Including Acquired Intangible Assets** We review our property, plant and equipment, solar energy systems, long-term prepayments and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. We measure recoverability by comparing the carrying amount to the future undiscounted cash flows that the asset is expected to generate. If the asset is not recoverable, its carrying amount would be adjusted down to its fair value. For the years ended December 31, 2024, 2023 and 2022, we have recognized no material impairments of our long-lived assets. **Intangible assets with definite lives** are amortized on a straight-line basis over their estimated useful lives, which range from seven to thirty years. **Goodwill** We assess goodwill for impairment annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that it might be impaired, by comparing its carrying value to the reporting unit's fair value. For the years ended December 31, 2024, 2023, and 2022, we did not recognize any impairment of goodwill. **64 Capitalization of Software Costs** We capitalize costs incurred in the development of internal use software, during the application development stage to Property, plant and equipment, net on the consolidated balance sheets. Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Such costs are amortized on a straight-line basis over their estimated useful life of three to five years. Software development costs incurred in development of software to be sold, leased, or otherwise marketed, incurred subsequent to the establishment of technological feasibility and prior to the general availability of the software are capitalized when they are expected to become significant. Such costs are amortized over the estimated useful life of the applicable software once it is made generally available to our customers. We evaluate the useful lives of these assets on an annual basis, and we test for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. For the years ended December 31, 2024, 2023, and 2022, we have recognized no impairments of capitalized software costs. **Foreign Currency** We determine the functional and reporting currency of each of our international subsidiaries and their operating divisions based on the primary currency in which they operate. In cases where the functional currency is not the U.S. dollar, we recognize a cumulative translation adjustment created by the different rates we apply to current period income or loss and the balance sheet. For each subsidiary, we apply the monthly average functional exchange rate to its monthly income or loss and the month-end functional currency rate to translate the balance sheet. Foreign currency transaction gains and losses are a result of the effect of exchange rate changes on transactions denominated in currencies other than the functional currency of the respective subsidiary. Transaction gains and losses are recognized in Other income (expense), net, in the consolidated statements of operations. For the years ended December 31, 2024, 2023 and 2022, we recorded a net foreign currency transaction gain of \$57 million, gain of \$122 million and loss of \$89 million, respectively. **Warranties** We provide a manufacturer's warranty on all new and used vehicles and a warranty on the installation and components of the energy generation and storage systems we sell for periods typically between 10 to 25 years. We accrue a warranty reserve for the products sold by us, which includes our best estimate of the projected costs to repair or replace items under warranties and recalls if identified. These estimates are based on actual claims incurred to date and an estimate of the nature, frequency and costs of future claims. These estimates are inherently uncertain and changes to our historical or projected warranty experience may cause material changes to the warranty reserve in the future. The warranty reserve does not include projected warranty costs associated with our vehicles subject to operating lease accounting and our solar energy systems under lease contracts or PPAs, as the costs to repair these warranty claims are expensed as incurred. The portion of the warranty reserve expected to be incurred within the next 12 months is included within Accrued liabilities and other, while the remaining balance is included within Other long-term liabilities on the consolidated balance sheets. For liabilities that we are entitled to receive indemnification from our suppliers, we record receivables for the contractually obligated amounts on the consolidated balance sheets as a component of Prepaid expenses and other current assets for the current portion and as Other non-current assets for the long-term portion. Warranty expense is recorded as a component of Cost of revenues in the consolidated statements of operations. Due to the magnitude of our automotive business, our accrued warranty balance is primarily related to our automotive segment. Accrued warranty activity consisted of the following (in millions): Year Ended December 31, 2024/2023/2022 Accrued warranty beginning of period \$5,152 \$3,505 \$2,101. **65 Customer Deposits** Customer deposits primarily consist of refundable cash payments from customers at the time they place an order or reservation for a vehicle or an energy product and any additional payments up to the point of delivery or the completion of installation. Customer deposits also include prepayments on contracts that can be cancelled without significant penalties, such as vehicle maintenance plans. Customer deposits are included in Accrued liabilities and other on the consolidated balance sheets until refunded, forfeited or applied towards the customer's purchase balance. **Government Assistance Programs and Incentives** Globally, the operation of our business is impacted by various government programs, incentives, and other arrangements. Government incentives are recorded in our consolidated financial statements in accordance with their purpose as a reduction of expense, or an offset to the related capital asset. The benefit is generally recorded when all conditions attached to the incentive have been met or are expected to be met and there is reasonable assurance of their receipt. The IRA Incentives On August 16, 2022, the IRA was enacted into law and is effective for taxable years beginning after December 31, 2022. The IRA includes multiple incentives to promote clean energy, electric vehicles, battery and energy storage manufacture or purchase, in addition to a new corporate alternative minimum tax of 15% on adjusted financial statement income of corporations with profits greater than \$1 billion. Some of these measures are expected to materially affect our consolidated financial statements. For the years ended December 31, 2024 and 2023, the impact from our IRA incentive was primarily a reduction of our costs of revenue in our consolidated statements of operations. **Gigafactory New York** **66 New York State Investment and Lease** We have a lease through the Research Foundation for the SUNY Foundation with respect to Gigafactory New York. Under the lease and a related research and development agreement, we are continuing to designate further buildouts at the facility. We are required to comply with certain covenants, including hiring and cumulative investment targets. Under the terms of the arrangement, the SUNY Foundation paid for a majority of the construction costs related to the manufacturing facility and the acquisition and commissioning of certain manufacturing equipment; and we are responsible for any construction or equipment costs in excess of such amount (refer to Note 14, Commitments and Contingencies). This incentive reduces the related lease costs of the facility within the Energy generation and storage cost of revenues and operating expense line items in our consolidated statements of operations and was not material for any period presented. **Gigafactory Shanghai** **67 Land Use Rights and Economic Benefits** We have an agreement with the local government of Shanghai for land use rights at Gigafactory Shanghai. Under the terms of the arrangement, we are required to meet a cumulative capital expenditure target and an annual tax revenue target starting at the end of 2023. In addition, the Shanghai government has granted to our Gigafactory Shanghai subsidiary certain incentives to be used in connection with eligible capital investments at Gigafactory Shanghai (refer to Note 14, Commitments and Contingencies). Incentives that offset costs of our facilities are recorded as a reduction of the cost of the capital investment within the Property, plant and equipment, net line item in our consolidated balance sheets and incentives related to our manufacturing operations are recorded as an offset to cost of revenues in our consolidated statements of operations. For the years ended December 31, 2024 and 2023, the amounts received were immaterial. **Nevada Tax Incentives** In connection with the construction of Gigafactory Nevada, we entered into agreements in 2014 with the State of Nevada and Storey County in Nevada that provide abatements for specified taxes, discounts to the base tariff energy rates and transferable tax credits of up to \$195 million in consideration of capital investment and hiring targets that were met at Gigafactory Nevada. **68 Gigafactory Texas Tax Incentives** In connection with the construction of Gigafactory Texas, we entered into a 20-year agreement in 2020 with Travis County in Texas pursuant to which we would receive grant funding equal to 70-80% of property taxes paid by us to Travis County and a separate 10-year agreement in 2020 with the Del Valle Independent School District in Texas pursuant to which a portion of the taxable value of our property would be capped at a specified amount, in each case subject to our meeting certain minimum economic development metrics through our construction and operations at Gigafactory Texas. This incentive is recorded as a reduction of the related expenses within the Cost of automotive revenues and operating expense line items of our consolidated statements of operations. For the years ended December 31, 2024, 2023 and 2022, the grant funding related to property taxes paid were immaterial. **Defined Contribution Plan** We have a 401(k) savings plan in the U.S. that is intended to qualify as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code and a number of savings plans internationally. Under the 401(k) savings plan, participating employees may elect to contribute up to 90% of their eligible compensation, subject to certain limitations. Beginning in January 2022, we began to match 50% of each employee's contributions up to a maximum of 6% (capped at \$3,000) of the employee's eligible compensation, vested upon one year of service. During the years ended December 31, 2024, 2023 and 2022, we recognized \$107 million, \$99 million and \$91 million, respectively, of expenses related to employer contributions for the 401(k) savings plan. **Recent Accounting Pronouncements** Recently issued accounting pronouncements not yet adopted in December 2023, the Financial Accounting Standards Board (â€œFASBâ€) issued Accounting Standards Update (â€œASUâ€) No. 2023-09, Improvements to Income Tax Disclosures (Topic 740). The ASU requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as additional information on income taxes paid. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024. Early adoption is also permitted for annual financial statements that have not yet been issued or made available for issuance. This ASU will likely result in the required additional disclosures being included in our consolidated financial statements, once adopted. In November 2024, the FASB issued ASU No. 2024-03, Disaggregation of Income Statement Expenses (Subtopic 220-40). The ASU requires the disaggregated disclosure of specific expense categories, including purchases of inventory, employee compensation, and other expenses. The ASU is effective on a prospective basis for annual periods beginning after December 15, 2024.

equipment, vehicles, and solar energy systems, worldwide. We determine if an arrangement is a lease, or contains a lease, at inception and record the lease in our financial statements upon lease commencement, which is the date when the underlying asset is made available for use by the lessor. We have lease agreements with lease and non-lease components, and have elected to utilize the practical expedient to account for lease and non-lease components together as a single combined lease component, from both a lessee and lessor perspective with the exception of direct sales-type leases and production equipment classes embedded in supply agreements. From a lessor perspective, the timing and pattern of transfer are the same for the non-lease components and associated lease component and, the lease component, if accounted for separately, would be classified as an operating lease. We have elected not to present short-term leases on the consolidated balance sheet as these leases have a lease term of 12 months or less at lease inception and do not contain purchase options or renewal terms that we are reasonably certain to exercise. All other lease assets and lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because most of our leases do not provide an implicit rate of return, we used our incremental borrowing rate based on the information available at lease commencement date in determining the present value of lease payments. Our leases, where we are the lessee, often include options to extend the lease term for up to 10 years. Some of our leases also include options to terminate the lease prior to the end of the agreed upon lease term. For purposes of calculating lease liabilities, lease terms include options to extend or terminate the lease when it is reasonably certain that we will exercise such options. Lease expense for operating leases is recognized on a straight-line basis over the lease term as cost of revenues or operating expenses depending on the nature of the leased asset. Certain operating leases provide for annual increases to lease payments based on an index or rate. We calculate the present value of future lease payments based on the index or rate at the lease commencement date for new leases. Differences between the calculated lease payment and actual payment are expensed as incurred. Amortization of finance lease assets is recognized over the lease term as cost of revenues or operating expenses depending on the nature of the leased asset. Interest expense on finance lease liabilities is recognized over the lease term within Interest expense in the consolidated statements of operations. The balances for the operating and finance leases where we are the lessee are presented as follows (in millions) within our consolidated balance sheets: December 31, 2024 December 31, 2023 Operating leases: \$5,160A \$4,180A Accrued liabilities and other \$807A \$672A Other long-term liabilities \$4,603A 3,671A Total operating lease liabilities \$5,410A \$4,343A Finance leases: \$21A \$23A Property, plant and equipment, net \$350A 601A Total finance lease assets \$371A \$624A Current portion of long-term debt and finance leases \$113A \$398A Long-term debt and finance leases, net of current portion \$22A \$75A Total finance lease liabilities \$335A \$573A The components of lease expense are as follows (in millions) within our consolidated statements of operations: Year Ended December 31, 2024 December 31, 2023 2022 Operating lease expense: \$1,500A \$1,153A \$798A Finance lease expense: Amortization of leased assets \$409A \$506A \$493A Interest on lease liabilities \$21A \$145A \$72A Total finance lease expense \$430A \$551A \$565A Total lease expense \$1,930A \$1,704A \$1,363A (1) Includes short-term leases and variable lease costs, which are immaterial. 76 Other information related to leases where we are the lessee is as follows: December 31, 2024 December 31, 2023 Weighted-average remaining lease term: Operating leases 7.9 years 7.4 years Finance leases 4.4 years 2.3 years Weighted-average discount rate: Operating leases 5.3A % 5.6A % Finance leases 4.7A % 5.5A % Supplemental cash flow information related to leases where we are the lessee is as follows (in millions): Year Ended December 31, 2024 December 31, 2023 2022 Cash paid for amounts included in the measurement of lease liabilities: Operating cash outflows from operating leases \$1,450A \$1,084A \$754A Operating cash outflows from finance leases (interest payments) \$21A \$47A \$75A Leased assets obtained in exchange for finance lease liabilities \$144A \$10A \$58A Leased assets obtained in exchange for operating lease liabilities \$1,808A \$2,170A \$1,059A As of December 31, 2024, the maturities of our operating and finance lease liabilities (excluding short-term leases) are as follows (in millions): OperatingLeasesFinanceLeases 2025 \$1,066A \$122A 2026 958A 84A 2027 843A 69A 2028 742A 27A 2029 642A 22A Thereafter 2,428A 45A Total minimum lease payments \$6,679A 369A Less: Interest \$1,269A 34A Present value of lease obligations \$5,410A 335A Less: Current portion \$807A \$113A Long-term portion of lease obligations \$4,603A \$222A As of December 31, 2024, we have excluded from the table above additional operating leases that have not yet commenced with aggregate rent payments of \$1.10 billion. These operating leases will commence between fiscal year 2025 and 2026 with lease terms of 2 years to 20 years. 77 Operating Lease and Sales-type Lease Receivables We are the lessor of certain vehicle and solar energy system arrangements as described in Note 2, Summary of Significant Accounting Policies. As of December 31, 2024, maturities of our operating lease and sales-type lease receivables from customers for each of the next five years and thereafter were as follows (in millions): OperatingLeasesSales-typeLeases 2025 \$1,265A \$177A 2026 777A 185A 2027 454A 93A 2028 240A 27A 2029 200A 2A Thereafter 1,290A aA Gross lease receivables \$4,226A \$484A The above table does not include vehicle sales to customers or leasing partners with a resale value guarantee as the cash payments were received upfront. For our solar PPA arrangements, customers are charged solely based on actual power produced by the installed solar energy system at a predefined rate per kilowatt-hour of power produced. The future payments from such arrangements are not included in the above table as they are a function of the power generated by the related solar energy systems in the future. Net Investment in Sales-type Leases Net investment in sales-type leases, which is the sum of the present value of the future contractual lease payments, is presented on the consolidated balance sheets as a component of Prepaid expenses and other current assets for the current portion and as Other non-current assets for the long-term portion. Lease receivables relating to sales-type leases are presented on the consolidated balance sheets as follows (in millions): December 31, 2024 December 31, 2023 Gross lease receivables \$484A \$780A Unearned interest income (38)(78) Allowance for expected credit losses (6)(6) Net investment in sales-type leases \$440A \$696A A Reported as: Prepaid expenses and other current assets \$152A \$189A Other non-current assets 288A 507A Net investment in sales-type leases \$440A \$696A Note 12 aA Equity Incentive Plans In June 2019, we adopted the 2019 Equity Incentive Plan (the aA2019 Plan aA). The 2019 Plan provides for the grant of stock options, restricted stock, RSUs, stock appreciation rights, performance units and performance shares to our employees, directors and consultants. Stock options granted under the 2019 Plan may be either incentive stock options or nonstatutory stock options. Incentive stock options may only be granted to our employees. Nonstatutory stock options may be granted to our employees, directors and consultants. Generally, our stock options and RSUs vest over four years and our stock options are exercisable over a maximum period of 10 years from their grant dates. Vesting typically terminates when the employment or consulting relationship ends. As of December 31, 2024, 113.0 million shares were reserved and available for issuance under the 2019 Plan. 78 The following table summarizes our stock option and RSU activity for the year ended December 31, 2024: Stock Options RSUs Number of Options (in thousands) Weighted-Average Exercise Price Weighted-Average Remaining Contractual Life (years) Aggregates Intrinsic Value (in billions) Number of RSUs (in thousands) Weighted-Average Grant Date Fair Value Beginning of period 344,021B 35.11A 19,088B 225.01A Granted 14,979B 235.22A 12,045B 223.98A Exercised or released (10,469)B 82.04A (7,515)B 206.02A Cancelled (3,996)B 205.61A (4,957)B 221.15A End of period 344,535B 40.41A 3.51B 125.22A 18,661B 233.02A Vested and expected to vest, December 31, 2024 344,215B 40.23A 3.50B 125.16A 18,409B 232.99A Exercisable and vested, December 31, 2024 323,847B 27.75A 3.14B 121.79A The weighted-average grant date fair value per share of RSUs granted in the years ended December 31, 2024, 2023 and 2022 was \$223.98, \$228.33 and \$239.85, respectively. The aggregate release date fair value of RSUs in the years ended December 31, 2024, 2023 and 2022 was \$1.75 billion, \$2.50 billion and \$4.32 billion, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2024, 2023 and 2022 was \$1.77 billion, \$1.33 billion and \$1.90 billion, respectively. ESP Our employees are eligible to purchase our common stock through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The purchase price would be 85% of the lower of the fair market value on the first and last trading days of each six-month offering period. During the years ended December 31, 2024, 2023 and 2022, under the ESPP we issued 2.2 million, 2.1 million and 1.4 million shares, respectively. As of December 31, 2024, there were 95.5 million shares available for issuance under the ESPP. Fair Value Assumptions We use the fair value method in recognizing stock-based compensation expense. Under the fair value method, we estimate the fair value of each stock option award with service or service and performance conditions and the ESPP on the grant date generally using the Black-Scholes option pricing model. The weighted-average assumptions used in the Black-Scholes model for stock options are as follows: Year Ended December 31, 2024 2023 2022 Risk-free interest rate 3.92A % 3.90A % 3.11A % Expected term (in years) 4.34-54.1 Expected volatility 59A % 63A % Dividend yield 0.0A % 0.0A % 0.0A % Grant date fair value per share \$114.29A \$121.62A \$114.51A The fair value of RSUs with service or service and performance conditions is measured on the grant date based on the closing fair market value of our common stock. The risk-free interest rate is based on the U.S. Treasury yield for zero-coupon U.S. Treasury notes with maturities approximating each grant aA's expected life. We use our historical data in estimating the expected term of our employee grants. The expected volatility is based on the average of the implied volatility of publicly traded options for our common stock and the historical volatility of our common stock. 79 Other Performance-Based Grants From time to time, the Compensation Committee of our Board of Directors grants certain employees performance-based RSUs and stock options. As of December 31, 2024, we had unrecognized stock-based compensation expense of \$490 million under these grants to purchase or receive an aggregate 5.0 million shares of our common stock. For awards probable of achievement, we estimate the unrecognized stock-based compensation expense of \$421 million will be recognized over a weighted-average period of 4.0 years. For the years ended December 31, 2024, 2023 and 2022, stock-based compensation expense related to these grants, net of forfeitures, were not material. Summary Stock-Based Compensation Information The following table summarizes our stock-based compensation expense by line item in the consolidated statements of operations (in millions): Year Ended December 31, 2024 2023 2022 Cost of revenues \$776A \$741A \$594A Research and development 832A 689A 536A Selling, general and administrative 389A 382A 430A Restructuring and other \$2A aA A Total \$1,999A \$1,812A \$1,560A Our income tax benefits recognized from stock-based compensation arrangements were immaterial while we were under full valuation allowances on our U.S. deferred tax assets during the year ended December 31, 2022. With the release of the valuation allowance associated with our federal and certain state deferred tax assets in 2023, income tax benefits recognized from stock-based compensation expense during the years ended December 31, 2024 and 2023 were \$371A million and \$326A million, respectively. During the years ended December 31, 2024, 2023 and 2022, stock-based compensation expense capitalized to our consolidated balance sheets was \$198 million, \$199 million and \$245 million, respectively. As of December 31, 2024, we had \$5.79 billion of total unrecognized stock-based compensation expense related to non-performance awards, which will be recognized over a weighted-average period of 3.0 years. Note 13 aA Income Taxes Our income before provision for (benefit from) income taxes for the years ended December 31, 2024, 2023 and 2022 was as follows (in millions): Year Ended December 31, 2024 2023 2022 Domestic \$2,292A \$3,196A \$5,524A Noncontrolling interest and redeemable noncontrolling interest 62A (23)A Foreign 6,636A 6,800A 8,164A Income before income taxes \$8,990A \$9,973A \$13,719A 80A provision for (benefit from) income taxes of \$1.84 billion, (\$5.00) billion and \$1.13 billion has been recognized for the years ended December 31, 2024, 2023 and 2022, respectively. The components of the provision for (benefit from) income taxes for the years ended December 31, 2024, 2023 and 2022 consisted of the following (in millions): Year Ended December 31, 2024 2023 2022 Current Federal \$A aA \$48A aA \$48A aA State 45A 57A 62A Foreign 1,315A 1,243A 1,266A Total current 1,360A 1,348A 1,328A Deferred Federal 831A (5,246)26A State (49) (653)1A Foreign (305)(450)(223) Total deferred 477A (6,349)(196) Total provision for (benefit from) income taxes \$1,837A (\$5,001) \$1,132A 81 The reconciliation of taxes at the federal statutory rate to our provision for (benefit from) income taxes for the years ended December 31, 2024, 2023 and 2022 was as follows (in millions): Year Ended December 31, 2024 2023 2022 Tax at statutory federal rate \$1,887A \$2,094A \$2,881A State tax, net of federal benefit 8A (372)51A Excess tax benefits related to stock-based compensation (267)(288)(745) Nontaxable manufacturing credit (291)(101)A Foreign income rate differential (545)(816)(923) U.S. tax credits (317)(593)(276) GILTI and Subpart F inclusion 882A 670A 1,279A Unrecognized tax benefits 144A 183A 252A Change in valuation allowance 163A (\$5,962)(1,532) Other 173A 184A 145A Provision for (benefit from) income taxes \$1,837A (\$5,001) \$1,132A Deferred tax assets (liabilities) as of December 31, 2024 and 2023 consisted of the following (in millions): December 31, 2024 December 31, 2023 Deferred tax assets: Net operating loss carry-forwards \$1,295A \$2,826A Research and development credits 1,735A 1,358A Other tax credits and attributes 1,325A 827A Deferred revenue 1,101A 1,035A Inventory and warranty reserves 1,769A 1,258A Operating lease right-of-use liabilities 1,186A 930A Capitalized research and development costs 2,448A 1,344A Deferred GILTI tax assets 691A 760A Other 412A 436A Total deferred tax assets 11,962A 10,774A Valuation allowance (1,224)(892) Deferred tax assets, net of valuation allowance 10,738A 9,882A Deferred tax liabilities: Depreciation and amortization (2,658)(2,122) Operating lease right-of-use assets (1,097)(859) Other (561)(249) Total deferred tax liabilities 4,316A (3,230) Deferred tax assets (liabilities), net of valuation allowance \$6,422A \$6,652A 82As of December 31, 2024, we maintained valuation allowances of \$1.22A billion for deferred tax assets that are not more likely than not to be realized, which primarily included our California deferred tax assets, U.S. foreign tax credits and certain foreign operating losses. The valuation allowance on our net deferred tax assets increased by \$332 million during the year ended December 31, 2024, and decreased by \$6.46 billion and \$1.73 billion during the years ended December 31, 2023 and 2022, respectively. The valuation allowance increase during the year ended December 31, 2024 was primarily due to the changes of our California deferred tax assets, U.S. foreign tax credits and certain foreign operating losses. The change in valuation allowance during the year ended December 31, 2023 was primarily due to the release of our valuation allowance with respect to our U.S. federal and certain state deferred tax assets. In the fourth quarter of 2023, based on the relevant weight of positive and negative evidence, including the amount of our taxable income in recent years which was objective and verifiable, and consideration of our expected future taxable earnings, we concluded that it is more likely than not that most of our U.S. federal and certain state deferred tax assets are realizable and released the valuation allowance on these deferred tax assets. The valuation allowance change during the years ended December 31, 2022 was primarily due to changes in our U.S. deferred tax assets and liabilities. Our deferred tax assets without a valuation allowance are more likely than not to be realized given the expectation of future earnings in the respective jurisdictions. As of December 31, 2024, we had \$4.34 billion of federal and \$8.59 billion of state net operating loss carry-forwards available to offset future taxable income, an immaterial amount of which, if not utilized, will begin to expire in 2026 for federal and 2025 for state purposes. Federal and state laws can impose substantial restrictions on the utilization of net operating loss and tax credit carry-forwards in the event of an aAownership change, aA as defined in Section 382 of the Internal Revenue Code. We have determined that no significant limitation would be placed on the utilization of our net operating loss and tax credit carry-forwards due to prior ownership changes or expirations. As of December 31, 2024, we had federal research and development tax credits of \$1.48 billion, federal renewable energy tax credits of \$1.01 billion, and state research and development tax credits of \$1.06 billion. Most of our state research and development tax credits were in the state of California. If not utilized, some of the federal tax credits may expire in various amounts beginning in 2035. However, California research and development tax credits can be carried forward indefinitely. As of December 31, 2024, we intend to indefinitely reinvest our foreign earnings and cash unless such repatriation results in no or minimal tax costs. We have recorded the taxes associated with the foreign earnings we intend to repatriate in the future. For the earnings we intend to indefinitely reinvest, no deferred tax liabilities for foreign withholding or other taxes have been recorded. The estimated amount of such unrecognized withholding tax liability associated with the indefinitely reinvested earnings is approximately \$309 million. Uncertain Tax Positions The changes to our gross unrecognized tax benefits were as follows (in millions): December 31, 2021 \$531A Increases in balances related to prior year tax positions 136A Decreases in balances related to prior year tax positions (12) Increases in balances related to current year tax positions 222A Decreases in balances related to expiration of the statute of limitations (7) December 31, 2022 2870A Increases in balances related to prior year tax positions 59A Decreases in balances related to settlement with tax authorities (6) Increases in balances related to prior year tax positions 255A Decreases in balances related to prior year tax positions 51A Decreases in balances related to prior year tax positions (27) Increases in balances related to current year tax positions 227A Decreases in balances related to settlement with tax authorities (4) Decreases in balances related to expiration of the statute of limitations (4) December 31, 2024 \$1,417A 83A We include interest and penalties related to unrecognized tax benefits in income tax expense. We recognized net interest and penalties related to unrecognized tax benefits in provision for (benefit from) income taxes line of our consolidated statements of operations of \$23 million, \$17 million and \$27 million for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, and 2023, we have accrued \$69 million and \$47 million, respectively, related to interest and penalties on our unrecognized tax benefits. Unrecognized tax benefits of \$1.14 billion, if recognized, would affect our effective tax rate. We file income tax returns in the U.S. and various state and foreign jurisdictions. We are currently under examination by the Internal Revenue Service (aAIRS aA) for the years 2015 to 2018. Additional tax years within the periods 2004 to 2014 and 2019 to 2023 remain subject to examination for federal income tax purposes. All net operating losses and tax credits generated to date are subject to adjustment for U.S. federal and state income tax purposes. Our returns for 2004 and subsequent tax years remain subject to examination in U.S. state and foreign jurisdictions. Given the uncertainty in timing and outcome of our tax examinations, an estimate of the range of the reasonably possible change in gross unrecognized tax

benefits within twelve months cannot be made at this time.¹⁴ Commitments and Contingencies Operating Lease Arrangement in Buffalo, New YorkWe have an operating lease arrangement through the Research Foundation for the SUNY Foundation with respect to Gigafactory New York. Under the lease and a related research and development agreement, we are continuing to further develop the facility. Under this agreement, we are obligated to, among other things, meet employment targets as well as specified minimum numbers of personnel in the State of New York and in Buffalo, New York and spend or incur \$5.00 billion in combined capital, operational expenses, costs of goods sold and other costs in the State of New York during the 10-year period beginning April 30, 2018. On an annual basis during the initial lease term, as measured on each anniversary of such date, if we fail to meet these specified investment and job creation requirements, it may result in our incurring financial liabilities in the form of ¹⁵program payments¹⁶ which would not be expected to have a material adverse effect to our financial operations, the termination of our lease at Gigafactory New York, and/or the need to adjust certain of our operations. In 2021, an amendment was executed to extend our overall agreement to spend or incur \$5.00¹⁷ billion in combined capital, operational expenses, costs of goods sold and other costs in the State of New York through December 31, 2029. As of December 31, 2024, we have met and expect to meet the requirements under this arrangement, as may be modified and discussed from time to time, based on our current and anticipated level of operations. Operating Lease Arrangement in Shanghai, ChinaWe have an operating lease arrangement for an initial term of 50 years with the local government of Shanghai for land use rights where we have been constructing Gigafactory Shanghai. Under the terms of the arrangement, we are required to spend RMB 14.08A billion in capital expenditures by the end of 2023, which was achieved in 2023, and to generate RMB 2.23A billion of annual tax revenues starting at the end of 2023. As of December 31, 2024 and 2023, we had met and expect to meet the tax revenue requirements based on our current level of spend and sales.¹⁸Legal Proceedings Litigation Relating to 2018 CEO Performance AwardOn June 4, 2018, a purported Tesla stockholder filed a putative class and derivative action in the Delaware Court of Chancery against Elon Musk and the members of Tesla's board of directors as then constituted, alleging corporate waste, unjust enrichment and that such board members breached their fiduciary duties by approving the stock-based compensation plan awarded to Elon Musk in 2018 (the ¹⁹2018 CEO Performance Award²⁰). Trial was held November 14-18, 2022. On January 30, 2024, the Court issued an opinion finding that the 2018 CEO Performance Award should be rescinded. Plaintiff²¹'s counsel filed a brief seeking a fee award of 29,402,900 Tesla shares, plus expenses of \$1,120,115.50. Tesla opposed the fee request, and at Tesla's²² 2024 Annual Meeting of Stockholders, 72% of the disinterested voting shares of Tesla, excluding shares owned by Mr. Musk and Kimbal Musk, voted to ratify the 2018 CEO Performance Award. Because Tesla's²³ disinterested stockholders voted to ratify the 2018 CEO Performance Award, Mr. Musk and the other director defendants, joined by Tesla, filed a brief seeking to revise the Court²⁴'s January 30, 2024 opinion. On December 2, 2024, the Court issued an opinion denying the motion to revise the Court²⁵'s January 30, 2024 opinion and awarded Plaintiff²⁶'s counsel fees in the amount of \$345A million. A final judgment was entered by the Court, and the director defendants and Tesla appealed the decisions to the Delaware Supreme Court.Litigation Related to Directors²⁷ CompensationOn June 17, 2020, a purported Tesla stockholder filed a derivative action in the Delaware Court of Chancery, purportedly on behalf of Tesla, against certain of Tesla's²⁸ current and former directors regarding compensation awards granted to Tesla's²⁹ directors, other than Elon Musk, between 2017 and 2020. The suit asserts claims for breach of fiduciary duty and unjust enrichment and seeks declaratory and injunctive relief, unspecified damages and other relief. Defendants filed their answer on September 17, 2020. On July 14, 2023, the parties filed a Stipulation and Agreement of Compromise and Settlement, which does not involve an admission of any wrongdoing by any party. Pursuant to the terms of the agreement, Tesla provided notice of the proposed settlement to stockholders of record as of July 14, 2023. The Court held a hearing regarding the settlement on October 13, 2023, after which it took the settlement and plaintiff counsels³⁰ fee request under advisement. On January 8, 2025, the Court approved the settlement and awarded Plaintiff³¹'s counsel fees in the amount of approximately \$176A million. A final judgment was entered by the Court on January 13, 2025. Tesla intends to appeal the Court³²'s fee award on or before the appeal deadline of February 12, 2025. The settlement is not expected to have an adverse impact on our results of operations, cash flows or financial position.Litigation Relating to Potential Going Private TransactionBetween August 10, 2018 and September 6, 2018, nine purported stockholder class actions were filed against Tesla and Elon Musk in connection with Mr. Musk³³'s August 7, 2018 Twitter post that he was considering taking Tesla private. On January 16, 2019, Plaintiffs filed their consolidated complaint in the United States District Court for the Northern District of California and added as defendants the members of Tesla's³⁴ board of directors. The consolidated complaint asserts claims for violations of the federal securities laws and seeks unspecified damages and other relief. The parties stipulated to certification of a class of stockholders, which the court granted on November 25, 2020. Trial started on January 17, 2023, and on February 3, 2023, a jury rendered a verdict in favor of the defendants on all counts. After trial, plaintiffs filed a motion for judgment as a matter of law and a motion for new trial, which the Court denied and judgement was entered in favor of defendants on July 11, 2023. On November 6, 2024, the United States Court of Appeals for the Ninth Circuit affirmed the district court³⁵'s dismissal of all claims.Between October 17, 2018 and March 8, 2021, seven derivative lawsuits were filed in the Delaware Court of Chancery, purportedly on behalf of Tesla, against Mr. Musk and the members of Tesla's³⁶ board of directors, as constituted at relevant times, in relation to statements made and actions connected to a potential going private transaction, with certain of the lawsuits challenging additional Twitter posts by Mr. Musk, among other things. Several of those actions were consolidated, and all have been stayed. In addition to these cases, two derivative lawsuits were filed on October 25, 2018 and February 11, 2019 in the U.S. District Court for the District of Delaware, purportedly on behalf of Tesla, against Mr. Musk and the members of the Tesla board of directors as then constituted. Those cases have also been consolidated and stayed. On October 21, 2022, a lawsuit was filed in the Delaware Court of Chancery by a purported shareholder of Tesla alleging, among other things, that board members breached their fiduciary duties in connection with their oversight of the Company³⁷'s 2018 settlement with the SEC, as amended. Among other things, the plaintiff seeks reforms to the Company³⁸'s corporate governance and internal procedures, unspecified damages, and attorneys³⁹ fees. The lawsuit has been stayed pending resolution of a motion to consolidate certain derivative lawsuits in the Delaware Court of Chancery referenced below.On November 15, 2021, JPMorgan Chase Bank filed a lawsuit against Tesla in the Southern District of New York alleging breach of a stock warrant agreement that was entered into as part of a convertible notes offering in 2014. Tesla denied any wrongdoing and filed multiple counterclaims. On November 27, 2024, the parties agreed to settle their claims.Certain Derivative Lawsuits in Delaware Before converting from a Delaware to Texas corporation on June 13, 2024, three separate derivative actions brought by purported Tesla stockholders were filed in the Delaware Court of Chancery on May 24, June 10 and June 13, 2024, purportedly on behalf of Tesla, against current and former directors regarding topics including Elon Musk and others, X Corp. (formerly Twitter) and x.AI. These suits assert various claims, including breach of fiduciary duty and breach of contract, and seek unspecified damages and other relief. On August 6, 2024, the plaintiffs in these three actions moved to consolidate the matters into a single case. The Court consolidated two of the three cases. Litigation and Investigations Relating to Alleged Discrimination and HarassmentOn February 9, 2022, the California Civil Rights Department (⁴⁰CCR⁴¹ formerly ⁴²DFEH⁴³) filed a civil complaint against Tesla in Alameda County, California Superior Court, alleging systemic race discrimination, hostile work environment and pay equity claims, among others. CCR⁴⁴'s amended complaint seeks monetary damages and injunctive relief. The case is currently in discovery. Trial is scheduled for September 15, 2025. Additionally, on June 1, 2022 the Equal Employment Opportunity Commission (⁴⁵EEOC⁴⁶) issued a cause finding against Tesla that closely parallels the CCR⁴⁷'s allegations. On September 28, 2023, the EEOC filed a civil complaint against Tesla in the United States District Court for the Northern District of California asserting claims for race harassment and retaliation and seeking, among other things, monetary and injunctive relief.On June 16, 2022, two Tesla stockholders filed separate derivative actions in the U.S. District Court for the Western District of Texas, purportedly on behalf of Tesla, against certain of Tesla's⁴⁸ current and former directors. Both suits assert claims for breach of fiduciary duty, unjust enrichment, and violation of the federal securities laws in connection with alleged race and gender discrimination and sexual harassment. Among other things, plaintiffs seek declaratory and injunctive relief, unspecified damages payable to Tesla, and attorneys⁴⁹ fees. On July 22, 2022, the Court consolidated the two cases and on September 6, 2022, plaintiffs filed a consolidated complaint. On November 7, 2022, the defendants filed a motion to dismiss the case and on September 15, 2023, the Court dismissed the action but granted plaintiffs leave to file an amended complaint. On November 2, 2023, plaintiff filed an amended complaint purportedly on behalf of Tesla, against Elon Musk. On December 19, 2023, the defendants moved to dismiss the amended complaint, which the Court granted on April 12, 2024, with leave for plaintiffs to amend. On May 15, 2024, plaintiffs filed a second amended consolidated complaint purportedly on behalf of Tesla, against Mr. Musk. On July 1, 2024, the defendants moved to dismiss the second amended consolidated complaint. 86Other Litigation Related to Our Products and ServicesWe are also subject to various lawsuits that seek monetary and other injunctive relief. These lawsuits include proposed class actions and other consumer claims that allege, among other things, purported defects and misrepresentations related to our products and services. For example, on September 14, 2022, a proposed class action was filed against Tesla, Inc. and related entities in the U.S. District Court for the Northern District of California, alleging various claims about the Company⁵⁰'s driver assistance technology systems under state and federal law. This case was later consolidated with several other proposed class actions, and a Consolidated Amended Complaint was filed on October 28, 2022, which seeks damages and other relief on behalf of all persons who purchased or leased from Tesla between January 1, 2016, to the present. On October 5, 2022, a proposed class action complaint was filed in the U.S. District Court for the Eastern District of New York asserting similar state and federal law claims against the same defendants. On September 30, 2023, the Court dismissed this action with leave to amend the complaint. On November 20, 2023, the plaintiff moved to amend the complaint, which Tesla opposed. On August 8, 2024, the Court denied the plaintiff⁵¹'s motion for leave to file an amended complaint and entered judgment for Tesla. On September 5, 2024, the plaintiff filed a notice of appeal to United States Court of Appeals for the Second Circuit, and the parties are briefing the matter. On March 22, 2023, the plaintiffs in the Northern District of California consolidated action filed a motion for a preliminary injunction to order Tesla to (1) cease using the term ⁵²Full Self-Driving Capability⁵³ (FSD Capability), (2) cease the sale and activation of FSD Capability and deactivate FSD Capability on Tesla vehicles, and (3) provide certain notices to consumers about proposed court-findings about the accuracy of the use of the terms Autopilot and FSD Capability. Tesla opposed the motion. On September 30, 2023, the Court denied the request for a preliminary injunction, compelled four of five plaintiffs to arbitration, and dismissed the claims of the fifth plaintiff with leave to amend the complaint. On October 31, 2023, the remaining plaintiff in the Northern District of California action filed an amended complaint, which Tesla moved to dismiss, and on May 15, 2024, the Court granted in part and denied in part Tesla's⁵⁴ motion. On October 2, 2023, a similar proposed class action was filed in San Diego County Superior Court in California. Tesla subsequently removed the San Diego County case to federal court and on January 8, 2024, the federal court granted Tesla's⁵⁵ motion to transfer the case to the U.S. District Court for the Northern District of California. Tesla moved to compel arbitration, which the plaintiff did not oppose, and on June 27, 2024, the Court stayed the case pending arbitration.On February 27, 2023, a proposed class action was filed in the U.S. District Court for the Northern District of California against Tesla, Inc., Elon Musk and certain current and former Company executives. The complaint alleges that the defendants made material misrepresentations and omissions about the Company⁵⁶'s Autopilot and FSD Capability technologies and seeks money damages and other relief on behalf of persons who purchased Tesla stock between February 19, 2019, and February 17, 2023. An amended complaint was filed on September 5, 2023, naming only Tesla, Inc. and Elon Musk as defendants. On November 6, 2023, Tesla moved to dismiss the amended complaint. On September 30, 2024, the Court granted Tesla's⁵⁷ motion to dismiss without prejudice. On November 26, 2024, the court issued a final judgment in Tesla's⁵⁸ favor, and on December 23, 2024, the plaintiffs filed a notice of appeal to the United States Court of Appeals for the Ninth Circuit. On March 14, 2023, a proposed class action was filed against Tesla, Inc. in the U.S. District Court for the Northern District of California. Several similar complaints were also filed in the same court and these cases have now all been consolidated. These complaints allege that Tesla violates federal antitrust and warranty laws through its repair, service, and maintenance practices and seeks, among other relief, damages for persons who paid Tesla for repairs services or Tesla compatible replacement parts from March 2019 to March 2023. On July 17, 2023, these plaintiffs filed a consolidated amended complaint. On September 27, 2023, the court granted Tesla's⁵⁹ motion to compel arbitration as to three of the plaintiffs, and on November 17, 2023, the court granted Tesla's⁶⁰ motion to dismiss without prejudice. The plaintiffs filed a Consolidated Second Amended Complaint on December 12, 2023, which Tesla moved to dismiss. Plaintiffs also appealed the court⁶¹'s arbitration order, which was denied. On June 17, 2024, the Court granted in part and denied in part Tesla's⁶² motion to dismiss the Consolidated Second Amended Complaint. The Company intends to vigorously defend itself in these matters; however, we cannot predict the outcome or impact. We are unable to reasonably estimate the possible loss or range of loss, if any, associated with these claims, unless noted.87Certain Investigations and Other MattersWe regularly receive requests for information, including subpoenas, from regulators and governmental authorities such as the National Highway Traffic Safety Administration, the National Transportation Safety Board, the Securities and Exchange Commission (⁶³SEC⁶⁴), the Department of Justice (⁶⁵DOJ⁶⁶), and various local, state, federal, and international agencies. The ongoing requests for information include topics such as operations, technology (e.g., vehicle functionality, vehicle incidents, Autopilot and FSD Capability), compliance, finance, data privacy, and other matters related to Tesla's⁶⁷ business, its personnel, and related parties. We routinely cooperate with such formal and informal requests for information, investigations, and other inquiries. To our knowledge no government agency in any ongoing investigation has concluded that any wrongdoing occurred. We cannot predict the outcome or impact of any ongoing matters. Should the government decide to pursue an enforcement action, there exists the possibility of a material adverse impact on our business, results of operation, prospects, cash flows, financial position or brand. We are also subject to various other legal proceedings, risks and claims that arise from the normal course of business activities. For example, during the second quarter of 2023, a foreign news outlet reported that it obtained certain misappropriated data including, purportedly non-public Tesla business and personal information. Tesla has made notifications to potentially affected individuals (current and former employees) and regulatory authorities and we are working with certain law enforcement and other authorities. On August 5, 2023, a putative class action was filed in the United States District Court for the Northern District of California, purportedly on behalf of all U.S. individuals impacted by the data incident, followed by several additional lawsuits, that each assert claims under various state laws and seeks monetary damages and other relief. If an unfavorable ruling or development were to occur in these or other possible legal proceedings, risks and claims, there exists the possibility of a material adverse impact on our business, results of operations, prospects, cash flows, financial position or brand.Letters of CreditAs of December 31, 2024, we had \$448 million of unused letters of credit outstanding.⁶⁸ Variable Interest Entity ArrangementsWe have entered into various arrangements with investors to facilitate the funding and monetization of our solar energy systems and vehicles. In particular, our wholly owned subsidiaries and fund investors have formed and contributed cash and assets into various financing funds and entered into related agreements. We have determined that the funds are VIEs and we are the primary beneficiary of these VIEs by reference to the power and benefits criterion under ASC 810. We have considered the provisions within the agreements, which grant us the power to manage and make decisions that affect the operation of these VIEs, including determining the solar energy systems and the associated customer contracts to be sold or contributed to these VIEs, redeploying solar energy systems and managing customer receivables. We consider that the rights granted to the fund investors under the agreements are more protective in nature rather than participating. As the primary beneficiary of these VIEs, we consolidate in the financial statements the financial position, results of operations and cash flows of these VIEs, and all intercompany balances and transactions between us and these VIEs are eliminated in the consolidated financial statements. Cash distributions of income and other receipts by a fund, net of agreed upon expenses, estimated expenses, tax benefits and detriments of income and loss and tax credits, are allocated to the fund investor and our subsidiary as specified in the agreements. Generally, our subsidiary has the option to acquire the fund investor⁶⁹'s interest in the fund for an amount based on the market value of the fund or the formula specified in the agreements. Upon the sale or liquidation of a fund, distributions would occur in the order and priority specified in the agreements. Pursuant to management services, maintenance and warranty arrangements, we have been contracted to provide services to the funds, such as operations and maintenance support, accounting, lease servicing and performance reporting. In some instances, we have guaranteed payments to the fund investors as specified in the agreements. A fund⁷⁰'s creditors have no recourse to our general credit or to that of other funds. Certain assets of the funds have been pledged as collateral for their obligations.⁸⁸The aggregate carrying values of the VIEs⁷¹' assets and liabilities, after elimination of any intercompany transactions and balances, in the consolidated balance sheets were as follows (in millions): December 31, 2024 December 31, 2023 Assets⁷² Current assets⁷³ A Cash and cash equivalents\$49A \$66A Accounts receivable, net⁷⁴ 18A 13A Prepaid expenses and other current assets⁷⁵ 276A 361A Total current assets⁷⁶ 343A 440A Operating lease vehicles, net⁷⁷ 392A A⁷⁸ Solar energy systems, net⁷⁹ 2,310A 3,278A Other non-current assets⁸⁰ 183A 369A Total assets\$3,228A \$4,087A Liabilities⁸¹ A Current liabilities⁸² Accrued liabilities and other⁸³ 32A \$67A Deferred revenue⁸⁴ A⁸⁵ Current portion of debt and finance leases⁸⁶ 2,114A 1,564A Total current liabilities⁸⁷ 2,152A 1,637A Deferred revenue, net of current portion⁸⁸ 71A 99A Debt and finance leases, net of current portion⁸⁹ 1,834A 2,041A Total liabilities\$4,057A \$3,777A Note 16 A⁹⁰ Related Party TransactionsTesla periodically does business with certain entities with which its CEO and directors are affiliated, such as x.AI, SpaceX, X Corp, and Redwood Materials, in accordance with our Related Person

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Shares
Attorney Dated:

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20 _____ Signature: _____ Signature:
Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever. PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE (PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE) of the capital stock represented by the within Certificate, and do hereby irrevocably constitute and appoint to transfer the said stock on the books of the within-named Company with full power of substitution in the premises. . Tesla, Inc. THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE. Signature(s) Guaranteed: Medallion Guarantee Stamp THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15. The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations: TEN COM - as tenants in common UNIF GIFT MIN ACT -

ace of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations. UNIF TRF MIN ACT - as tenants by the entireties under Uniform Gifts to Minors Act.....Custodian(Cust) (Minor) TEN ENT - as tenants by the entireties under Uniform Gifts to Minors Act.....Custodian (until age(Cust)under Uniform Transfers to Minors Act(Minor) (State) Additional abbreviations may also be used though not in the above list. A Document Exhibit 4.72 DESCRIPTION OF THE REGISTRANT™'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 As of January 29, 2025, Tesla, Inc. had one class of common stock registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The following description of our common stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to our certificate of formation (the "Certificate of Formation") and our bylaws (the "Bylaws"), each of which is incorporated herein by reference as an exhibit to the Annual Report on Form 10-K filed with the Securities and Exchange Commission, of which this Exhibit 4.72 is a part. We encourage you to read our Certificate of Formation, our Bylaws and the applicable provisions of the Texas Business Organizations Code (the "TBOC") for additional information. Authorized Capital Stock Our authorized capital stock consists of 6,100,000,000 shares, with a par value of \$0.001 per share, of which 6,000,000,000 shares are designated as common stock. The holders of common stock are entitled to one vote per share on all matters submitted to a vote of our shareholders and do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors have the power to elect all of the directors standing for election. Subject to preferences that may be applicable to any preferred stock outstanding at the time, the holders of outstanding shares of common stock are entitled to receive ratably any dividends declared by our board of directors out of assets legally available. Upon our liquidation, dissolution or winding up, holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities and the liquidation preference of any then outstanding shares of preferred stock. Holders of common stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. We have certain outstanding securities that may be converted, exercised or exchanged into shares of our common stock. Registration Rights Certain holders of unregistered common stock purchased in private placements, or their permitted transferees, are entitled to rights with respect to the registration of such shares under the Securities Act of 1933, as amended, or the Securities Act. These rights are provided under the terms of an investors' rights agreement between us and the holders of these shares, or the investors' rights agreement, and include demand registration rights, short-form registration rights and piggyback registration rights. All fees, costs and expenses of underwritten registrations will be borne by us and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being sold. The registration rights terminate with respect to an individual holder after the date that is five years following such time when the holder can sell all of the holder's shares in any three month period under Rule 144 or another similar exemption under the Securities Act, unless such holder holds at least 2% of our voting stock. Listing Our common stock is listed on the Nasdaq Global Select Market under the symbol "TSLA." Transfer Agent and Registrar The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. Anti-Takeover Effects of Texas Law and Our Certificate of Formation and Bylaws Our Certificate of Formation and our Bylaws contain certain provisions that could have the effect of delaying, deterring or preventing another party from acquiring control of us. These provisions and certain provisions of Texas law, which are summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate more favorable terms with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us. Limits on Ability of Shareholders to Act by Written Consent or Call a Special Meeting Our Certificate of Formation provides that our shareholders may act by written consent only if all holders of shares entitled to vote on such action adopts a resolution by unanimous written consent. This may deter action by written consent or lengthen the amount of time required to take shareholder actions. As a result, even a holder controlling a majority of our capital stock would not be able to amend our Bylaws or remove directors without holding a meeting of our shareholders called in accordance with our Bylaws. In addition, our Certificate of Formation provides that special meetings of shareholders may be called by the chairperson of the board, the chief executive officer, the president (to the extent required by the TBOC), our board of directors, or by shareholders holding not less than 50% (or the highest percentage of ownership that may be set under the TBOC) of the Corporation's then outstanding shares of capital stock entitled to vote at such meeting. The threshold required for shareholders to call a special meeting may delay the ability of our shareholders to force consideration of a proposal or for holders controlling a majority of our capital stock to take any action, including the removal of directors. Requirements for Advance Notification of Shareholder Nominations and Proposals Our Bylaws establish advance notice procedures with respect to shareholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of our board of directors or a committee of our board of directors. These provisions may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company. Board Classification Our board of directors is divided into three classes, one of which classes is elected each year by our shareholders to serve for a three-year term. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time-consuming for shareholders to replace a majority of the directors on a classified board. A A A 2 No Cumulative Voting Our Certificate of Formation and Bylaws do not permit cumulative voting in the election of directors. Cumulative voting allows a shareholder to vote a portion or all of its shares for one or more candidates for seats on the board of directors. Without cumulative voting, a minority stockholder may not be able to gain as many seats on our board of directors as the shareholder would be able to gain if cumulative voting were permitted. The absence of cumulative voting makes it more difficult for a minority shareholder to gain a seat on our board of directors to influence our board's decision regarding a takeover. Amendment of Certificate of Formation Provisions The amendment of our Certificate of Formation requires approval by holders of at least two-thirds of our outstanding capital stock entitled to vote generally in the election of directors. Texas Anti-Takeover Statute We are subject to the provisions of Section 21.606 of the TBOC regulating corporate takeovers. In general, Section 21.606 prohibits a publicly held Texas corporation from engaging, under certain circumstances, in a business combination with an affiliated shareholder for a period of three years following the date the person became an affiliated shareholder unless, prior to the date of the transaction, our board of directors approved either the business combination or the transaction that resulted in the shareholder becoming an affiliated stockholder; or, at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock which is not owned by the affiliated stockholder at a meeting of shareholders called for that purpose not less than six months after the affiliated shareholder's share acquisition date. Generally, a business combination includes a merger, share exchange, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested shareholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested shareholder status did own, 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 21.606 may also discourage attempts that might result in a premium over the market price for the shares of common stock held by shareholders. The provisions of Texas law and the provisions of our Certificate of Formation and Bylaws could have the effect of discouraging these forms of takeovers by limiting the ability of a shareholder to effect a transaction in the corporation if it is not approved by the board of directors.

have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that shareholders might otherwise deem to be in their best interests. **3DocumentExhibit 19TESLA, INC.** **INSIDER TRADING POLICY** and **Guidelines with Respect to Certain Transactions in Securities** **TABLE OF CONTENTS** **Page** **INTRODUCTION** **1** Legal prohibitions on insider trading **1** Detection and prosecution of insider trading **1** Penalties for violation of insider trading laws and this Policy **1** Insider Trading Compliance Officer **2** Reporting violations **2** Personal responsibility **2** PERSONS AND TRANSACTIONS COVERED BY THIS POLICY **2** Persons covered by this Policy **3** Types of transactions covered by this Policy **3** Responsibilities regarding the nonpublic information of other companies **3** Applicability of this Policy after your departure **3** No exceptions based on personal circumstances **3** MATERIAL NONPUBLIC INFORMATION **3** **ce** Material **4** Nonpublic information **3** **ce** Nonpublic **4** POLICIES REGARDING MATERIAL NONPUBLIC INFORMATION **5** Confidentiality of nonpublic information **5** No trading on material nonpublic information **5** No disclosing material nonpublic information for the benefit of others **5** Responding to outside inquiries for information **6** TRADING BLACKOUT PERIODS **6** Quarterly blackout periods **6** Special blackout periods **7** Regulation BTR blackouts **7** No **ce**as harbors **7** PRE-CLEARANCE OF TRADES **7** ADDITIONAL RESTRICTIONS AND GUIDANCE **8** Short sales **8** Derivative securities and hedging transactions **8** Using Company securities as collateral for loans **9** Holding Company securities in margin accounts **9** Placing open orders with brokers **9** LIMITED EXCEPTIONS **9** Transactions pursuant to a trading plan that complies with SEC rules **9** Receipt and vesting of stock options, restricted stock units, restricted stock and stock appreciation rights **10** Exercise of stock options for cash **10** Purchases from the employee stock purchase plan **10** Certain 401(k) plan transactions **10** Stock splits, stock dividends and similar transactions **11** Inheritance and bona fide gifts **11** Change in form of ownership **11** Other exceptions **11** COMPLIANCE WITH SECTION 16 OF THE SECURITIES EXCHANGE ACT **11** Obligations under Section 1611 Notification requirements to facilitate Section 16 reporting **11** Personal responsibility **12** ADDITIONAL INFORMATION **12** Availability of Policy **12** Amendments **12** Ancillary Documents **12** SCHEDULE A (Individuals subject to Section 16 reporting and pre-clearance obligations) **SCHEDULE B** (Forms of ancillary documents) **INTRODUCTION** **Tesla, Inc.** (together with its subsidiaries, the **ce**Company**ce**) opposes the unauthorized disclosure of any nonpublic information acquired in the course of your service with the Company and the misuse of material nonpublic information in securities trading. Any such actions will be deemed violations of this Insider Trading Policy (the **ce**Policy**ce**) and you may be subject to disciplinary actions as described below. Legal prohibitions on insider trading The antifraud provisions of U.S. federal securities laws prohibit directors, officers, employees and other individuals who possess material nonpublic information from trading on the basis of that information. Transactions will be considered **ce**on the basis of**ce** material nonpublic information if the person engaged in the transaction was aware of the material nonpublic information at the time of the transaction. It is not a defense that the person did not **ce**use**ce** the information for purposes of the transaction. Disclosing material nonpublic information directly or indirectly to others who then trade based on that information or making recommendations or expressing opinions as to transactions in securities while aware of material nonpublic information (which is sometime referred to as **ce**tippping**ce**) is also illegal. Both the person who provides the information, recommendation or opinion and the person who trades based on it may be liable. These illegal activities are commonly referred to as **ce**insider trading**ce**. State securities laws and securities

laws of other jurisdictions also impose restrictions on insider trading. In addition, a company, as well as individual directors, officers and other supervisory personnel, may be subject to liability as an "controlling person" for failure to take appropriate steps to prevent insider trading by those under their supervision, influence or control. It is also Company policy to comply with applicable securities laws concerning trading in Company securities on the Company's behalf. Detection and prosecution of insider trading by the U.S. Securities and Exchange Commission (the "SEC"), the Financial Industry Regulatory Authority and the Nasdaq Stock Market use sophisticated electronic surveillance techniques to investigate and detect insider trading, and the SEC and the U.S. Department of Justice pursue insider trading violations vigorously. Cases involving trading through foreign accounts, trading by family members and friends and trading involving only a small number of shares have been successfully prosecuted. Penalties for violation of insider trading laws and this Policy Civil and criminal penalties. As of the effective date of this Policy, potential penalties for insider trading violations under U.S. federal securities laws include: imprisonment; disgorging any profits made or losses avoided; a bar against serving as an officer or director of a public company; and an injunction against future violations. Page 1 Civil and criminal penalties also apply to tipping. The SEC has imposed large penalties in tipping cases even when the disclosing person did not trade or gain any benefit from another person's trading. Controlling person liability. As of the effective date of this Policy, the penalty for an "controlling person" liability includes civil fines, as well as potential criminal fines and imprisonment. The civil penalties can extend personal liability to directors, officers and managers. Company disciplinary actions. If the Company has a reasonable basis to conclude that you have failed to comply with this Policy, you may be subject to disciplinary action by the Company, up to and including dismissal for cause, regardless of whether or not your failure to comply with this Policy results in a violation of law. It is not necessary for the Company to wait for the filing or conclusion of any civil or criminal action against an alleged violator before taking disciplinary action. In addition, the Company may give stop transfer and other instructions to the Company's transfer agent to enforce compliance with this Policy. Insider Trading Compliance Officer. Please direct any questions, requests or reports as to any of the matters discussed in this Policy to the Company's Insider Trading Compliance Officer, who is the Company's General Counsel, or in the absence of a General Counsel, someone acting in the General Counsel's stead (the "Insider Trading Compliance Officer"). The Insider Trading Compliance Officer is generally responsible for the administration of this Policy. The Insider Trading Compliance Officer may select others to assist with the execution of such Officer's duties, each of whom shall also be referred to as the Insider Trading Compliance Officer for purposes of this Policy. Reporting violations. It is your responsibility to help enforce this Policy. You should be alert to possible violations and promptly report violations or suspected violations of this Policy to the Insider Trading Compliance Officer. If your situation requires that your identity be kept secret, your anonymity will be preserved to the greatest extent reasonably possible. If you wish to remain anonymous, you may send a letter addressed to the Insider Trading Compliance Officer at Tesla, Inc., 1 Tesla Road, Austin, Texas 78725 or through the Integrity Line pursuant to the reporting procedures set forth in the Company's Code of Business Ethics. If you make an anonymous report, please provide as much detail as possible, including any evidence that you believe may be relevant to the possible violation. Personal responsibility. The ultimate responsibility for complying with this Policy and applicable laws and regulations rests with you. If securities transactions ever become the subject of scrutiny, they are likely to be viewed after-the-fact with the benefit of hindsight. As a result, you should use your best judgment at all times and carefully consider how the transaction may be construed in the bright light of hindsight. We advise you to seek assistance if you have any questions at all and consult with your personal legal and financial advisors, as needed. The rules relating to insider trading can be complex, and a violation of insider trading laws can carry severe consequences. PERSONS AND TRANSACTIONS COVERED BY THIS POLICY. Persons covered by this Policy. This Policy applies to all directors, officers, employees and agents (such as consultants and independent contractors) of the Company. This Policy also applies to your family members who reside with you, anyone else who lives in your household, and family members who do not live in your household but whose securities transactions are directed by you or are subject to your influence or control (such as parents or Page 2 children who consult with you before they trade in Company securities), as well as persons that are your economic dependents and any other individuals or entities whose transactions in securities you influence, direct or control (including, for example, a venture or other investment fund, if you influence, direct or control transactions by the fund) (such individuals and entities, "Additional Covered Persons"). You are responsible for making sure that these Additional Covered Persons comply with this Policy. Accordingly, you should make such Additional Covered Persons aware of the need to confer with you before they trade in Company Securities, and you should treat all such transaction for the purposes of this Policy and applicable securities laws concerning trading while in possession of material nonpublic information as if the transactions were from your own account. Types of transactions covered by this Policy. Except as discussed in the section entitled "Limited Exceptions," this Policy applies to all transactions involving the securities of the Company or the securities of other companies as to which you possess material nonpublic information obtained in the course of your service with the Company. This Policy therefore applies to purchases, sales and other transfers of common stock, options, warrants, preferred stock, debt securities (such as debentures, bonds and notes) and other securities. This Policy also applies to any arrangements that affect economic exposure to changes in the prices of these securities. These arrangements may include, among other things, transactions in derivative securities (such as exchange-traded put or call options), hedging transactions, short sales and certain decisions with respect to participation in benefit plans. This Policy also applies to any offers with respect to the transactions discussed above. You should note that there are no exceptions from insider trading laws or this Policy based on the size of the transaction. Responsibilities regarding the nonpublic information of other companies. This Policy prohibits the unauthorized disclosure or other misuse of any nonpublic information of other companies, such as the Company's distributors, vendors, customers, collaborators, suppliers and competitors. This Policy also prohibits insider trading and tipping based on the material nonpublic information of other companies. Applicability of this Policy after your departure. You are expected to comply with this Policy until such time as you are no longer affiliated with the Company and you no longer possess any material nonpublic information subject to this Policy. In addition, if you are subject to a trading blackout under this Policy at the time you cease to be affiliated with the Company, you are expected to abide by the applicable trading restrictions until at least the end of the relevant blackout period. No exceptions based on personal circumstances. There may be instances where you suffer financial harm or other hardship or are otherwise required to forgo a planned transaction because of the restrictions imposed by this Policy. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse a failure to comply with this Policy. MATERIAL NONPUBLIC INFORMATION. Material information. Information should be regarded as material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, hold or sell securities or would view the information as significantly altering the total mix of information in the marketplace about the issuer of the Page 3 security. In general, any information that could reasonably be expected to affect the market price of a security is likely to be material. Either positive or negative information may be material. It is not possible to define all categories of "material" information. However, some examples of information that could be regarded as material include information with respect to: financial results, financial condition, earnings pre-announcements, guidance, projections or forecasts, particularly if inconsistent with the Company's guidance or the expectations of the investment community; Restatements of financial results, or material impairments, write-offs or restructurings; Changes in independent auditors, or notification that the Company may no longer rely on an audit report; Business plans or budgets; Creation of significant financial obligations, or any significant default under or acceleration of any financial obligation; Impending bankruptcy or financial liquidity problems; Significant developments involving business relationships, including execution, modification or termination of significant agreements or orders with customers, suppliers, distributors, manufacturers or other business partners; Product introductions, modifications, defects or recalls or significant pricing changes or other product announcements of a significant nature; Significant developments in research and development or relating to intellectual property; Significant cybersecurity incidents; Significant legal or regulatory developments, whether actual or threatened; Actual or threatened major litigation or governmental proceedings or investigations, or the actual or potential settlement of such litigation, proceedings or investigations; Major events involving the Company's securities, including calls of securities for redemption, adoption of stock repurchase programs, option repricings, stock splits, changes in dividend policies, public or private securities offerings, modification to the rights of security holders or notice of delisting; Significant corporate events, such as a pending or proposed merger, joint venture or tender offer, a significant investment, the acquisition or disposition of a significant business or asset or a change in control of the Company; The existence of a special blackout period; and Major personnel changes, such as changes in senior management or lay-offs, or changes in the board of directors. If you have any questions as to whether information should be considered "material," you should consult with the Insider Trading Compliance Officer. In general, it is advisable to resolve any close questions as to the materiality of any information by assuming that the information is material. Nonpublic information. Information is considered nonpublic if the information has not been broadly disseminated to the public for a sufficient period to be reflected in the price of the security. Information can be broadly disseminated to the public in a press release, a public filing with the SEC, a pre-announced public webcast or another broad, non-exclusionary form of public communication. You may not attempt to beat the market by trading simultaneously with, or shortly after, the official release of material information. Although there is no fixed period for how long it takes the market to absorb information, out of prudence a person in possession of material nonpublic information should refrain from any trading activity for at least one full trading day following its official release. Any questions as to whether information is nonpublic should be directed to the Insider Trading Compliance Officer. The term "trading day" means a day on which national stock exchanges are open for trading. A full trading day has elapsed when, after the public disclosure, trading in the relevant security has opened and then closed. POLICIES REGARDING MATERIAL NONPUBLIC INFORMATION. Confidentiality of nonpublic information. The unauthorized use or disclosure of nonpublic information relating to the Company or other companies is prohibited. All nonpublic information you acquire in the course of your service with the Company may only be used for legitimate Company business purposes. In addition, nonpublic information of others should be handled in accordance with the terms of any relevant nondisclosure agreements, and the use of any such nonpublic information should be limited to the purpose for which it was disclosed. You must use all reasonable efforts to safeguard nonpublic information in the Company's possession. You may not disclose nonpublic information about the Company or any other company, unless required by law, or unless (i) disclosure is required for legitimate Company business purposes, (ii) you are authorized to disclose the information and (iii) appropriate steps have been taken to prevent misuse of that information (for example, entering into an appropriate nondisclosure agreement that restricts the disclosure and use of the information, if applicable). This restriction also applies to internal communications within the Company and to communications with agents of the Company. In cases where disclosing nonpublic information to third parties is required, you should coordinate with the Legal Department. In addition, all officers, employees and agents of the Company are required to comply with any confidential information or invention assignment agreement with the Company to which they are subject. No trading on material nonpublic information. Except as discussed in the section entitled "Limited Exceptions" below, you may not, directly or indirectly through others, engage in any transaction involving the Company's securities while aware of material nonpublic information relating to the Company. It is not an excuse that you did not use the information in your transaction. Similarly, you may not engage in transactions involving the securities of any other company if you are aware of material nonpublic information about that company (except to the extent the transactions are analogous to those presented in the section entitled "Limited Exceptions"). For example, you may be involved in a proposed transaction involving a prospective business relationship or transaction with another company. If information about that transaction constitutes material nonpublic information for that other company, you would be prohibited from engaging in transactions involving the securities of that other company (as well as transactions involving Company securities, if that information is material to the Company). It is important to note that "materiality" is different for different companies. Information that is not material to the Company may be material to another company. No disclosing material nonpublic information for the benefit of others. Page 5 You may not disclose material nonpublic information concerning the Company or any other company to friends, family members or any other person or entity not authorized to receive such information where such person or entity may benefit by trading on the basis of such information. In addition, you may not make recommendations or express opinions on the basis of material nonpublic information as to trading in the securities of companies to which such information relates. You are prohibited from engaging in these actions whether or not you derive any profit or personal benefit from doing so. This prohibition against disclosure of material nonpublic information includes disclosure (even anonymous disclosure) via the internet, blogs, investor forums or chat rooms where companies and their prospects are discussed. Responding to outside inquiries for information. In the event you receive an inquiry from someone outside of the Company, such as a stock analyst, for information, you should refer the inquiry to the Company's Investor Relations Department. The Company is required under Regulation FD (Fair Disclosure) of the U.S. federal securities laws to avoid the selective disclosure of material nonpublic information. In general, the regulation provides that when a public company discloses material nonpublic information, it must provide broad, non-exclusionary access to the information. Violations of this regulation can subject the Company to SEC enforcement actions, which may result in injunctions and severe monetary penalties. The Company has established procedures for releasing material information in a manner that is designed to achieve broad public dissemination of the information immediately upon its release in compliance with applicable law. Please consult the Company's External Communications Policy for more details. TRADING BLACKOUT PERIODS. To limit the likelihood of trading at times when there is a significant risk of insider trading exposure, the Company has instituted quarterly trading blackout periods and may institute special trading blackout periods from time to time. In addition, to comply with applicable legal requirements, the Company may also institute blackout periods that prevent directors and officers from trading in Company securities at a time when employees are prevented from trading Company securities in the Company's 401(k) plan. It is important to note that whether or not you are subject to a particular blackout period, you remain subject to the prohibitions on trading on the basis of material nonpublic information and any other applicable restrictions in this Policy. Quarterly blackout periods. Except as discussed in the section entitled "Limited Exceptions" below, all directors and executive officers, and employees and agents identified by the Company must refrain from conducting transactions involving the Company's securities during quarterly blackout periods. Even if you are not specifically identified as being subject to quarterly blackout periods, you should exercise caution when engaging in transactions during quarterly blackout periods because of the heightened risk of insider trading exposure. Quarterly blackout periods begin at the end of the first trading day following the fifteenth day of the last month of each fiscal quarter and end after the first full trading day following public disclosure of the financial results for that fiscal quarter. This period is a particularly sensitive time for transactions involving the Company's securities from the perspective of compliance with applicable securities laws due to the fact that, during this period, individuals may often possess or have access to material nonpublic information relevant to the expected financial results for the quarter. However, irrespective of whether you actually possess, have access to, or access such information, any failure to comply with a quarterly blackout period other than in accordance with the section entitled "Limited Exceptions" below will be a violation of this Policy. Page 6 From time to time, the Company may identify persons who should be subject to quarterly blackout periods, and shall notify such persons. Additional Covered Persons associated with such individuals so notified are also subject to the quarterly blackout periods. Special blackout periods. From time to time, the Company may also prohibit directors, officers, employees and agents from engaging in transactions involving the Company's securities when, in the judgment of the Insider Trading Compliance Officer, a trading blackout is warranted. The Company will generally impose special blackout periods when there are material developments known to the Company that have not yet been disclosed to the public. For example, the Company may impose a special blackout period in anticipation of announcing interim earnings guidance or a significant transaction or business development. However, special blackout periods may be declared for any reason. The Company will notify those persons subject to a special blackout period. Each person who has been so identified and notified by the Company (and related Additional Covered Persons) may not engage in any transaction involving the Company's securities until instructed otherwise by the Insider Trading Compliance Officer. Regulation BTR blackouts. Directors and executive officers may also be subject to trading blackouts pursuant to Regulation Blackout Trading Restriction, or Regulation BTR, under U.S. federal securities laws. In general, Regulation BTR prohibits any director or executive officer from engaging in certain transactions involving Company securities during periods when 401(k) plan participants are prevented from purchasing, selling or otherwise acquiring or transferring an interest in certain securities held in individual account plans. Any profits realized from a transaction that violates Regulation BTR are recoverable by the Company, regardless of the intentions of the director or officer effecting the transaction. In addition, individuals who engage in such transactions are subject to sanction by the SEC as well as potential criminal liability. The Company has provided, or will provide, separate memoranda and other appropriate materials to its directors and executive officers regarding compliance with Regulation BTR. The Company will notify directors and officers if they are subject to a blackout trading restriction under Regulation BTR. Failure to comply with an applicable trading blackout in accordance with Regulation BTR is a violation of law and this Policy. No "safe harbors." There are no unconditional "safe harbors" for trades made at particular times, and all persons subject to this Policy should exercise good judgment at all times. Even when a quarterly blackout period

is not in effect, you may be prohibited from engaging in transactions involving the Company's securities because you possess material nonpublic information, are subject to a special blackout period or are otherwise restricted under this Policy. PRE-CLEARANCE OF TRADES Except as discussed in the section entitled "Limited Exceptions" below, directors and executive officers should refrain from engaging in any transaction involving the Company's securities without first obtaining pre-clearance of the transaction from the Insider Trading Compliance Officer. In addition, the Company has determined that certain other employees and agents of the Company that may have regular or special access to material nonpublic information should refrain from engaging in any transaction involving the Company's securities without first obtaining pre-clearance of the transaction from the Insider Trading Compliance Officer. The Insider Trading Compliance Officer may not engage in a transaction involving the Page 7 Company's securities unless the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer or their delegate, or if there are more than one Insider Trading Compliance Officer, another such Insider Trading Compliance Officer, has pre-cleared the transaction. Individuals subject to pre-clearance requirements are listed on Schedule A. From time to time, the Company may identify other persons who should be subject to the pre-clearance requirements set forth above, and the Insider Trading Compliance Officer may update and revise Schedule A as appropriate. These pre-clearance procedures are intended to decrease insider trading risks associated with transactions by individuals with regular or special access to material nonpublic information. In addition, requiring pre-clearance of transactions by directors and officers facilitates compliance with Rule 144 resale restrictions under the Securities Act of 1933, as amended and the liability and reporting provisions of Section 16 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Regulation BTR. Pre-clearance of a trade, however, is not a defense to a claim of insider trading and does not excuse you from otherwise complying with insider trading laws or this Policy. Further, pre-clearance of a transaction does not constitute an affirmation by the Company or the Insider Trading Compliance Officer that you are not in possession of material nonpublic information. The Insider Trading Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance, and may determine not to permit the transaction. ADDITIONAL RESTRICTIONS AND GUIDANCE This section addresses certain types of transactions that may expose you and the Company to significant risks. You should understand that, even though a transaction may not be expressly prohibited by this section, you are responsible for ensuring that the transaction otherwise complies with other provisions in this Policy that may apply to the transaction, such as the general prohibition against insider trading as well as pre-clearance procedures and blackout periods, to the extent applicable. Short sales Short sales (i.e., the sale of a security that must be borrowed to make delivery) and "shorting" short against the box (i.e., a sale with a delayed delivery) with respect to Company securities are prohibited under this Policy. Short sales may signal to the market possible bad news about the Company or a general lack of confidence in the Company's prospects, and an expectation that the value of the Company's securities will decline. In addition, short sales are effectively a bet against the Company's success and may reduce the seller's incentive to improve the Company's performance. Short sales may also create a suspicion that the seller is engaged in insider trading. Derivative securities and hedging transactions You are prohibited from engaging in transactions in publicly-traded options, such as puts and calls, and other derivative securities with respect to the Company's securities. This prohibition extends to any hedging or similar transaction designed to decrease the risks associated with holding Company securities. Stock options, stock appreciation rights, other securities issued pursuant to Company benefit plans or other compensatory arrangements with the Company, and broad-based index options, futures or baskets are not subject to this prohibition. Transactions in derivative securities may reflect a short-term and speculative interest in the Company's securities and may create the appearance of impropriety, even where a transaction does not involve trading on inside information. Trading in derivatives may also focus attention on short-term performance at the expense of the Company's long-term objectives. In addition, the application of securities laws to derivatives Page 8 transactions can be complex, and persons engaging in derivatives transactions run an increased risk of violating securities laws. Using Company securities as collateral for loans You should exercise caution in pledging Company securities as collateral for loans. If you default on the loan, the lender may sell the pledged securities as collateral in a foreclosure sale. The sale, even though not initiated at your request, is still considered a sale for your benefit and, if made at a time when you are aware of material nonpublic information or otherwise are not permitted to trade in Company securities, may result in inadvertent insider trading violations, Section 16 and Regulation BTR violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company. Holding Company securities in margin accounts You may not hold Company securities in margin accounts. Under typical margin arrangements, if you fail to meet a margin call, the broker may be entitled to sell securities held in the margin account without your consent. The sale, even though not initiated at your request, is still considered a sale for your benefit and, if made at a time when you are aware of material nonpublic information or are otherwise not permitted to trade, may result in inadvertent insider trading violations, Section 16 violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company. Placing open orders with brokers Except in accordance with an approved trading plan (as discussed below), you should exercise caution when placing open orders, such as limit orders or stop orders, with brokers, particularly where the order is likely to remain outstanding for an extended period of time. Open orders may result in the execution of a trade at a time when you are aware of material nonpublic information or otherwise are not permitted to trade in Company securities, which may result in inadvertent insider trading violations, Section 16 and Regulation BTR violations (for officers and directors), violations of this Policy and unfavorable publicity for you and the Company. If you are subject to any blackout periods or pre-clearance requirements, you should inform any broker with whom you place any open order at the time it is placed of your obligation to comply with such blackout periods and/or pre-clearance requirements. LIMITED EXCEPTIONS The following are certain limited exceptions to the restrictions imposed by the Company under this Policy. Please be aware that even if a transaction is subject to an exception to this Policy, you will need to separately assess whether the transaction complies with applicable law. For example, even if a transaction is indicated as exempt from this Policy, you may need to comply with the "short-swing" trading restrictions under Section 16 of the Exchange Act, to the extent applicable. You are responsible for complying with applicable law at all times. Transactions pursuant to a trading plan that complies with SEC rules The SEC has enacted rules that provide an affirmative defense against alleged violations of U.S. federal insider trading laws for transactions pursuant to trading plans that meet certain requirements. In general, these rules, as set forth in Rule 10b5-1 under the Exchange Act, provide for an affirmative defense if you enter into a contract, provide instructions or adopt a written plan for trading securities when you are not aware of material nonpublic information. The contract, instructions or plan must be made or entered into in good faith and not as a part of a plan or scheme to evade the insider trading laws and must (i) specify the amount, price and date of the transaction, (ii) specify an objective method for determining the amount, price and date of the transaction and/or (iii) place any subsequent discretion for determining the amount, price and Page 9 date of the transaction in another person who is not, at the time of the transaction, aware of material nonpublic information. Transactions made pursuant to a written trading plan that (i) complies with the affirmative defense set forth in Rule 10b5-1 and (ii) is approved by the Insider Trading Compliance Officer, are not subject to the restrictions in this Policy against trades made while aware of material nonpublic information or to the pre-clearance procedures or blackout periods established under this Policy. In approving a trading plan, the Insider Trading Compliance Officer may, in furtherance of the objectives expressed in this Policy, impose criteria in addition to those set forth in Rule 10b5-1. Therefore, you must confer with the Insider Trading Compliance Officer prior to entering into any trading plan. No transactions may occur under such contract, instructions or plans until the expiration of the applicable cooling-off period (minimum of 90 days for directors and officers and 30 days for all other employees and agents). The SEC rules regarding trading plans are complex and must be complied with completely to be effective. The description provided above is only a summary, and the Company strongly advises that you consult with your personal legal advisor if you intend to adopt a trading plan. While trading plans are subject to review and approval by the Company, the individual adopting the trading plan is ultimately responsible for compliance with Rule 10b5-1 and ensuring that the trading plan complies with this Policy. Trading plans must be filed with the Insider Trading Compliance Officer. The Company may publicly disclose information regarding trading plans that you may enter into. Receipt and vesting of stock options, restricted stock units, restricted stock and stock appreciation rights The trading restrictions under this Policy do not apply to the grant or award to you of stock options, restricted stock units, restricted stock or stock appreciation rights by the Company. The trading restrictions under this Policy also do not apply to the vesting, cancellation or forfeiture of stock options, restricted stock units, restricted stock or stock appreciation rights in accordance with applicable plans and agreements. However, the trading restrictions do apply to any subsequent sales of any such securities. Exercise of stock options for cash The trading restrictions under this Policy do not apply to the exercise of stock options for cash under the Company's stock option plans. Likewise, the trading restrictions under this Policy do not apply to the exercise of stock options in a stock-for-stock exercise with the Company or an election to have the Company withhold securities to cover tax obligations in connection with an option exercise. However, the trading restrictions under this Policy do apply to (i) the sale of any securities issued upon the exercise of a stock option, (ii) a cashless exercise of a stock option through a broker, since this involves selling a portion of the underlying shares to cover the costs of exercise, and (iii) any other market sale for the purpose of generating the cash needed to pay the exercise price of an option. Purchases from the employee stock purchase plan The trading restrictions in this Policy do not apply to elections with respect to participation in the Company's employee stock purchase plan or to purchases of securities under the plan. However, the trading restrictions do apply to any subsequent sales of any such securities. Certain 401(k) plan transactions The trading restrictions in this Policy do not apply to purchases of Company stock in the 401(k) plan resulting from periodic contributions to the plan based on your payroll contribution election. The trading restrictions do apply, however, to elections you make under the 401(k) plan to (i) increase or decrease the Page 10 percentage of your contributions that will be allocated to a Company stock fund, (ii) move balances into or out of a Company stock fund, (iii) borrow money against your 401(k) plan account if the loan will result in liquidation of some or all of your Company stock fund balance, and (iv) pre-pay a plan loan if the pre-payment will result in the allocation of loan proceeds to a Company stock fund. Stock splits, stock dividends and similar transactions The trading restrictions under this Policy do not apply to a change in the number of securities held as a result of a stock split or stock dividend applying equally to all securities of a class, or similar transactions. Inheritance and bona fide gifts The trading restrictions under this Policy do not apply to transfers by will or the laws of descent and distribution. In addition, bona fide gifts involving Company securities are not transactions subject to this policy, unless you have reason to believe that the recipient intends to sell the Company securities while you are aware of material nonpublic information. Change in form of ownership Transactions that involve merely a change in the form in which you own securities are not subject to the trading restrictions under this Policy. For example, you may transfer shares to an inter vivos trust of which you are the sole beneficiary during your lifetime. Other exceptions Any other exception from this Policy must be approved by the Insider Trading Compliance Officer, in consultation with the Board of Directors or an independent committee of the Board of Directors. COMPLIANCE WITH SECTION 16 OF THE SECURITIES EXCHANGE ACT Obligations under Section 16 Section 16 of the Exchange Act, and the related rules and regulations, set forth (i) reporting obligations, (ii) limitations on "short-swing" transactions and (iii) limitations on short sales and other transactions applicable to directors, officers, large shareholders and certain other persons. The Board of Directors of the Company has determined that the persons specified as Section 16 insiders on Schedule A are required to comply with Section 16 of the Exchange Act, and the related rules and regulations, because of their positions with the Company. The Insider Trading Compliance Officer may amend Schedule A from time to time as appropriate to reflect the election of new officers or directors, any change in the responsibilities of officers or other employees and any promotions, demotions, resignations or departures. Schedule A may not necessarily contain an exhaustive list of persons subject to Section 16 requirements at any given time. Even if you are not listed on Schedule A, you may be subject to Section 16 reporting obligations because of your shareholdings, for example. Notification requirements to facilitate Section 16 reporting To facilitate timely reporting of transactions pursuant to Section 16 requirements, each person subject to Section 16 reporting requirements must provide, or must ensure that such person's broker provides, the Company with detailed information (e.g., trade date, number of shares, exact price, etc.) regarding such person's transactions involving the Company's securities, including gifts, transfers, pledges and Page 11 transactions pursuant to a trading plan, both prior to (to confirm compliance with pre-clearance procedures, if applicable) and promptly following execution. Personal responsibility The obligation to file Section 16 reports, and to otherwise comply with Section 16, is personal. The Company is not responsible for the failure to comply with Section 16 requirements. ADDITIONAL INFORMATION Availability of Policy This Policy will be made available to all directors, officers, employees and agents of the Company when they commence service with the Company. Each director, officer, employee and agent of the Company is required, if requested, to acknowledge that he or she understands, and agrees to comply with, this Policy. Amendments We are committed to continuously reviewing and updating our policies and procedures. The Company therefore reserves the right to amend, alter or terminate this Policy at any time and for any reason, subject to applicable law. A current copy of the Company's policies regarding insider trading may be obtained by contacting the Insider Trading Compliance Officer. Ancillary Documents Attached as Schedule B are forms of various ancillary documents that may be used from time to time in connection with the matters discussed in this Policy. The Insider Trading Compliance Officer may amend, alter, substitute or terminate any of these ancillary documents at any time and for any reason, subject to applicable law. * * * * * Nothing in this Insider Trading Policy creates or implies an employment contract or term of employment. The policies in this Insider Trading Policy do not constitute a complete list of Company policies or a complete list of the types of conduct that can result in discipline, up to and including discharge. Page 12 Document Exhibit 21.1 SUBSIDIARIES OF TESLA INC. Name of Subsidiary/Jurisdiction of Incorporation or Organization Alabama Service LLC Delaware All EV Holdings, LLC Delaware Allegheny Solar 1, LLC Delaware Allegheny Solar Manager 1, LLC Delaware Alset Transport GmbH Germany Alset Warehouse GmbH Germany Ancon Holdings II, LLC Delaware Ancon Holdings III, LLC Delaware Ancon Solar Corporation Delaware Ancon Solar 1, LLC Delaware Ancon Solar II Lessee Manager, LLC Delaware Ancon Solar II Lessee, LLC Delaware Ancon Solar II Lessor, LLC Delaware Ancon Solar III Lessee Manager, LLC Delaware Ancon Solar III Lessee, LLC Delaware Ancon Solar III Lessor, LLC Delaware Ancon Solar Managing Member I, LLC Delaware Arpad Solar Borrower, LLC Delaware Arpad Solar Manager I, LLC Delaware AU Solar 1, LLC Delaware AU Solar 2, LLC Delaware Banyan Solar City Manager 2010, LLC Delaware Banyan Solar City Owner 2010, LLC Delaware Barbaconia Battery Storage, LLC Texas Basking Solar Manager II, LLC Delaware Beatrix Solar I, LLC Delaware Bernese Solar Manager I, LLC Delaware Blue Skies Solar I, LLC Delaware Blue Skies Solar II, LLC Delaware BT Connolly Storage, LLC Texas Caballero Solar Managing Member I, LLC Delaware Caballero Solar Managing Member II, LLC Delaware Caballero Solar Managing Member III, LLC Delaware Castello Solar I, LLC Delaware Castello Solar II, LLC Delaware Castello Solar III, LLC Delaware Chaparral SRC Borrower, LLC Delaware Chaparral SRC Holdings, LLC Delaware Chestnut Storage, LLC North Carolina Chompie Solar I, LLC Delaware Chompie Solar II, LLC Delaware Chompie Solar Manager I, LLC Delaware Chompie Solar Manager II, LLC Delaware Colorado River Project, LLC Delaware Community Solar Partners, LLC Delaware Compass Automation Incorporated Illinois Connecticut Auto Repair and Service LLC Delaware Corpus Battery Storage, LLC Texas Dom Solar General Partner I, LLC Delaware Dom Solar Lessor I, LPCayman Islands Dom Solar Ltd. Cayman Islands Dom Solar Limited Partner I, LLC Delaware El Rey EV, LLC Delaware Falconer Solar Manager I, LLC Delaware Firehorn Solar I, LLC Cayman Islands Firehorn Solar Manager I, LLC Delaware Focal Point Solar Borrower, LLC Delaware Focal Point Solar I, LLC Delaware Focal Point Solar Manager I, LLC Delaware Fontane Solar I, LLC Delaware Fotovoltaica GI 4, S. de R.L. de C.V. Mexico Fotovoltaica GI 5, S. de R.L. de C.V. Mexico FP System Owner, LLC Delaware Giga Insurance Texas, Inc. Texas Giga Texas Energy, LLC Delaware Tesla Automation (Shanghai) Co. Ltd. China Gruhmann USA, Inc. Delaware Guilder Solar, LLC Delaware Hamilton Solar, LLC Delaware Harborfields LLC Delaware Harpoon Solar I, LLC Delaware Harpoon Solar Manager I, LLC Delaware Haymarket Holdings, LLC Delaware Haymarket Manager 1, LLC Delaware Haymarket Solar 1, LLC Delaware Hibar Systems Europe GmbH Germany Hive Battery Inc. Delaware Kehu Manager I, LLC Delaware Buono Solar I, LLC Delaware Lelliousson, S.A. de C.V. 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Inc.CaliforniaTesla Insurance Services of Texas, Inc.TexasTesla International B.V.NetherlandsTesla Investments LLCDelawareTesla Italy S.r.l.ItalyTesla Jordan Car Trading LLCJordanTesla Korea LimitedRepublic of KoreaTesla Lease TrustDelawareTesla Lithuania UABLithuaniaTesla LLCDelawareTesla Manufacturing Brandenburg SEGermanyTesla Manufacturing Mexico, S. de R.L. de C.V.MexicoTesla Manufacturing Mexico Holding, S. de R.L. de C.V.MexicoTesla Michigan, Inc.MichiganTesla Mississippi LLCDelawareTesla Motors Australia, Pty LtdAustraliaTesla Motors Austria GmbHAustriaTesla Motors (Beijing) Co., Ltd.ChinaTesla Motors Canada ULCCanadaTesla Motors Colombia S.A.S.ColumbiaTesla Motors Holding B.V.NetherlandsTesla Motors Denmark ApSDenmarkTesla Motors FL, Inc.FloridaTesla Motors HK LimitedHong KongTesla Motors Iceland ehf.IcelandTesla Motors Ireland LimitedIrelandTesla Motors Israel Ltd.IraelTesla Motors Japan GKJapanTesla Motors LimitedUnited KingdomTesla Motors Luxembourg S.Ã. r.l.LuxembourgTesla Motors MA, Inc.MassachusettsTesla Motors Netherlands B.V.NetherlandsTesla Motors New York LLCNew YorkTesla Motors NL LLCDelawareTesla Motors NV, Inc.NevadaTesla Motors PA, Inc.PennsylvaniaTesla Motors Philippines Inc.PhilippinesTesla Motors Romania S.R.L.RomaniaTesla Motors Sales and Service LLCTurkeyTesla Motors Singapore Holdings Pte.Ltd.SingaporeTesla Motors Singapore Private LimitedSingaporeTesla Motors StichtingNetherlandsTesla Motors Taiwan LimitedTaiwanTesla Motors TN, Inc.TennesseeTesla Motors TX, Inc.TexasTesla Motors UT, Inc.UtahTesla Namebe LLCDelawareTesla New Zealand ULCNew ZealandTesla Norway ASNRowTesla Poland sp. z o.o.PolandTesla Property & Casualty, Inc.CaliforniaTesla Portugal, Sociedade Unipessoal LDAPortugalTesla Puerto Rico LLCPortugalTesla Qatar LLCQatarTesla Rental LLCDelawareTesla Sales, Inc.DelawareTesla Sdn. Bhd.MalaysiaTesla Shanghai Co., Ltd.ChinaTesla (Shanghai) New Energy Co., LTD.ChinaTesla Spain, S.L.UnipersonalSpainTesla Solar Systems, LLCDelawareTesla Sustainable Energy Trust 2024-1Delaware Tesla Switzerland GmbHSwitzerlandTesla (Thailand) Ltd.ThailandTesla TH1 LLCDelawareTesla TH2 LLCDelawareTesla Toronto Automation ULCCanadaTesla Toronto International Holdings ULCCanadaTesla Transport B.V.NetherlandsTesla US Property Holdings, LLCTexasTesla Wholesale Energy Holdings, LLCDelaware The Big Green Solar I, LLCDelawareThe Big Green Solar Manager I, LLCDelawareThree Rivers Solar 1, LLCDelawareThree Rivers Solar 2, LLCDelawareThree Rivers Solar 3, LLCDelawareThree Rivers Solar Manager 1, LLCDelawareThree Rivers Solar Manager 2, LLCDelawareThree Rivers Solar Manager 3, LLCDelawareTM International C.V.NetherlandsTM Sweden ABSBhdenTSET Holdings, LLCDelawareUSB SolarCity Manager IV, LLCDelawareUSB SolarCity Owner IV, LLCCaliforniaVisigoth Solar 1, LLCDelawareVisigoth Solar Holdings, LLCDelawareVisigoth Solar Managing Member 1, LLCDelawareVPP Project 1 (SA) Pty Ltd.AustraliaWeisshorn Solar I, LLCayman IslandsWeisshorn Solar Manager I, LLCDelawareZep Solar LLCCaliforniaDocumentExhibit 23.1CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRMWe hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-232079, 333-223169, 333-216376, 333-209696, 333-198002, 333-187113, 333-183033, and 333-167874) of Tesla, Inc. of our report dated January 29, 2025 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K./s/ PricewaterhouseCoopers LLPSan Jose, CaliforniaJanuary 29, 2025DocumentExhibit 31.1 CERTIFICATIONS I, Elon Musk, certify that: 1.I have reviewed this Annual Report on Form 10-K of Tesla, Inc.; 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: (a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (d)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s most recent fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and 5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s Board of Directors (or persons performing the equivalent functions): (a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and (b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting. Date: January 29, 2025/s/ Elon MuskÃ. Elon MuskÃ. Chief Executive OfficerÃ. (Principal Executive Officer)DocumentExhibit 31.2CERTIFICATIONS I, Vaibhav Taneja, certify that: 1.I have reviewed this Annual Report on Form 10-K of Tesla, Inc.; 2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4.The registrantâ€™s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: (a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b)Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (c)Evaluated the effectiveness of the registrantâ€™s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (d)Disclosed in this report any change in the registrantâ€™s internal control over financial reporting that occurred during the registrantâ€™s fourth fiscal quarter (the registrantâ€™s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrantâ€™s internal control over financial reporting; and 5.The registrantâ€™s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrantâ€™s auditors and the audit committee of the registrantâ€™s Board of Directors (or persons performing the equivalent functions): (a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrantâ€™s ability to record, process, summarize and report financial information; and (b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrantâ€™s internal control over financial reporting. Date: January 29, 2025/s/ Vaibhav TanejaÃ. Vaibhav TanejaÃ. Chief Financial OfficerÃ. (Principal Financial Officer andA Principal Accounting Officer)DocumentExhibit 32.1SECTION 1350 CERTIFICATIONS I, Elon Musk, certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge, the Annual Report of Tesla, Inc. on Form 10-K for the annual period ended December 31, 2024, (i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) that the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Tesla, Inc. Date: January 29, 2025/s/ Elon MuskÃ. Elon MuskÃ. Chief Executive OfficerÃ. (Principal Executive Officer)!, Vaibhav Taneja, certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge, the Annual Report of Tesla, Inc. on Form 10-K for the annual period ended December 31, 2024, (i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) that the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Tesla, Inc. Date: January 29, 2025/s/ Vaibhav TanejaÃ. Vaibhav TanejaÃ. Chief Financial OfficerÃ. (Principal Financial Officer andA Principal Accounting Officer)