

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-34756

Tesla, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

91-2197729

(I.R.S. Employer
Identification No.)

13101 Tesla Road

Austin, Texas

(Address of principal executive offices)

78725

(Zip Code)

(512) 516-8177

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock	TSLA	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

TESLA, INC.

ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2021

INDEX

	<u>Page</u>
<u>PART I.</u>	
Item 1. <u>Business</u>	4
Item 1A. <u>Risk Factors</u>	14
Item 1B. <u>Unresolved Staff Comments</u>	28
Item 2. <u>Properties</u>	28
Item 3. <u>Legal Proceedings</u>	28
Item 4. <u>Mine Safety Disclosures</u>	28
<u>PART II.</u>	
Item 5. <u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	29
Item 6. <u>[Reserved]</u>	30
Item 7. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	31
Item 7A. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	43
Item 8. <u>Financial Statements and Supplementary Data</u>	45
Item 9. <u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	96
Item 9A. <u>Controls and Procedures</u>	96
Item 9B. <u>Other Information</u>	96
Item 9C. <u>Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	96
<u>PART III.</u>	
Item 10. <u>Directors, Executive Officers and Corporate Governance</u>	97
Item 11. <u>Executive Compensation</u>	97
Item 12. <u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	97
Item 13. <u>Certain Relationships and Related Transactions, and Director Independence</u>	97
Item 14. <u>Principal Accountant Fees and Services</u>	97
<u>PART IV.</u>	
Item 15. <u>Exhibits and Financial Statement Schedules</u>	98
Item 16. <u>Summary</u>	115
<u>Signatures</u>	116

Note 4 – Goodwill and Intangible Assets

Goodwill decreased \$7 million within the automotive segment from \$207 million as of December 31, 2020 to \$200 million as of December 31, 2021. There were no accumulated impairment losses as of December 31, 2021 and 2020.

Information regarding our intangible assets including assets recognized from our acquisitions was as follows (in millions):

	December 31, 2021				December 31, 2020			
	Gross Carrying Amount	Accumulated Amortization	Other	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Other	Net Carrying Amount
Finite-lived intangible assets:								
Developed technology	\$ 299	\$ (150)	\$ 3	\$ 152	\$ 302	\$ (111)	\$ 3	\$ 194
Trade names	2	(1)	—	1	3	(1)	—	2
Favorable contracts and leases, net	113	(40)	—	73	113	(32)	—	81
Other	36	(21)	1	16	38	(18)	1	21
Total finite-lived intangible assets	450	(212)	4	242	456	(162)	4	298
Indefinite-lived intangible assets:								
Gigafactory Nevada water rights	15	—	—	15	15	—	—	15
Total intangible assets	<u>\$ 465</u>	<u>\$ (212)</u>	<u>\$ 4</u>	<u>\$ 257</u>	<u>\$ 471</u>	<u>\$ (162)</u>	<u>\$ 4</u>	<u>\$ 313</u>

Amortization expense during the years ended December 31, 2021, 2020 and 2019 was \$51 million, \$51 million and \$44 million, respectively.

Total future amortization expense for finite-lived intangible assets was estimated as follows (in millions):

2022	\$ 49
2023	43
2024	28
2025	28
2026	28
Thereafter	66
Total	<u>\$ 242</u>

Note 5 – Fair Value of Financial Instruments

ASC 820, *Fair Value Measurements*, states that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability. The three-tiered fair value hierarchy, which prioritizes which inputs should be used in measuring fair value, is comprised of: (Level I) observable inputs such as quoted prices in active markets; (Level II) inputs other than quoted prices in active markets that are observable either directly or indirectly and (Level III) unobservable inputs for which there is little or no market data. The fair value hierarchy requires the use of observable market data when available in determining fair value. Our assets and liabilities that were measured at fair value on a recurring basis were as follows (in millions):

	December 31, 2021				December 31, 2020			
	Fair Value	Level I	Level II	Level III	Fair Value	Level I	Level II	Level III
Money market funds (cash and cash equivalents)	\$ 9,548	\$ 9,548	\$ —	\$ —	\$ 13,847	\$ 13,847	\$ —	\$ —
Corporate debt securities (short-term marketable securities)	131	—	131	—	—	—	—	—
Interest rate swap liabilities	31	—	31	—	58	—	58	—
Total	<u>\$ 9,710</u>	<u>\$ 9,548</u>	<u>\$ 162</u>	<u>\$ —</u>	<u>\$ 13,905</u>	<u>\$ 13,847</u>	<u>\$ 58</u>	<u>\$ —</u>

All of our money market funds were classified within Level I of the fair value hierarchy because they were valued using quoted prices in active markets. Our marketable securities are classified within Level II of the fair value hierarchy and the market approach was used to determine fair value of these investments. Our interest rate swaps were classified within Level II of the fair value hierarchy because they were valued using alternative pricing sources or models that utilized market observable inputs, including current and forward interest rates.