

## Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

### **1,500,000 European Style Cash Settled Short Certificates**

**relating to the Common Stock of Tesla, Inc.**

**with a Daily Leverage of -3x**

**issued by**

**SG Issuer**

**(Incorporated in Luxembourg with limited liability)**

**unconditionally and irrevocably guaranteed by**

**Société Générale**

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**Issue Price: US\$7.00 per Certificate**

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This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 14 June 2024 including such further base listing documents as may be issued from time to time, as supplemented by an addendum dated 30 September 2024 (the “**Base Listing Document**”), for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products<sup>1</sup> and Specified Investment Products (SIPs)<sup>2</sup>, and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 14 June 2024 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 4 December 2024.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

3 December 2024

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<sup>1</sup> As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

<sup>2</sup> As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market

prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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## RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) in respect of certain corporate adjustment events on the Underlying Stock, trading in the Certificates may be suspended on the relevant ex-date of the Underlying Stock and trading in the Certificates will resume on the next immediate trading day on the SGX-ST. Please note that trading in the Certificates on the SGX-ST may be suspended for more than one trading day in certain circumstances;
- (b) circuit breakers are automatic mechanisms adopted in the U.S. stock market. Circuit breakers are invoked if the stock markets experience extreme broad-based declines or extreme volatility within a single stock, which are designed to slow the effects of extreme price movement through coordinated trading halts across securities markets in the U.S. stock market when severe price declines reach levels that may exhaust market liquidity.

Circuit breakers implemented by the Relevant Stock Exchange for the Underlying Stock may result in a temporary trading halt of the Underlying Stock on the Relevant Stock Exchange for the Underlying Stock, or under extreme circumstances, closure of the U.S. stock market (including all trading on the Relevant Stock Exchange for the Underlying Stock) before normal close of the trading session in the U.S. stock market.

Investors should be aware of the risk of potential high volatility in the trading prices of the Certificates upon commencement and throughout the trading hours of the SGX-ST on a trading day in Singapore in response to any overnight trigger of circuit breakers resulting in temporary trading halt of the Underlying Stock during the trading day of the Relevant Stock Exchange for the Underlying Stock immediately prior to such Singapore trading day;

- (c) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (d) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (e) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;
- (f) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as

it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry and the creditworthiness of the Issuer and the Guarantor;

- (g) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period.

The suspension may be lifted and trading in the Underlying Stock may resume outside or during the trading hours of the SGX-ST. If trading in the Underlying Stock resumes, trading in the Certificates will resume either in accordance with the scheduled trading resumption timing (if any) as specified in the announcement(s) to be published in respect of the resumption of trading in the Underlying Stock. Please note that the price of the Certificates may be highly volatile following the resumption of trading in the Certificates;

- (h) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (i) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (j) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 32 to 37 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;
- (k) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (l) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (m) investors holding their position beyond market close of the SGX-ST should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below). Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange for the Underlying Stock, unless investors exit their position within the same SGX-ST trading day, they would bear the annualised costs;
- (n) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

- (o) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous trading day. This process, referred to as compounding, may lead to a performance difference from 3 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (p) the Underlying Stock to which the Certificates relate are only quoted during US trading hours. This means that the Air Bag Mechanism (as defined below) can only be triggered when the SGX-ST is not open for trading. There is therefore a specific risk that overnight, investors in the Certificates incur a significant or even entire loss of the amounts invested in the Certificates, without being able to exit their investments in the Certificates;
- (q) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (r) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is an approximately 33% or greater gap between the previous trading day closing price and the opening price of the Underlying Stock the following trading day, as the Air Bag Mechanism will only be triggered when market opens the following trading day or (ii) a sharp intraday increase in the price of the Underlying Stock of approximately 33% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors should note that the Air Bag Mechanism may only be triggered during the trading of the Relevant Stock Exchange for the Underlying Stock. Investors may refer to pages 54 to 55 of this document for more information;
- (s) investors should note that the Certificates are issued over an Underlying Stock which is listed on an exchange with different trading hours from the SGX-ST. There may be a risk arising from the time difference between the trading hours of the Relevant Stock Exchange for the Underlying Stock (based on New York time) and the trading hours of the SGX-ST. As such, (i) the price of the Underlying Stock may not be available during the trading hours of the Certificates on SGX-ST; (ii) Air Bag Mechanism may be triggered during the trading hours of the Relevant Stock Exchange for the Underlying Stock, which would not be during SGX-ST trading hours; (iii) the trigger of an Air Bag Mechanism, when the Certificates are not open for trading, will lead to a different Leverage Inverse Strategy Closing Level, i.e. the value of the Certificates subsequently during the SGX-ST trading hours will be based on a different Leverage Inverse Strategy Closing Level reference for the purpose of the Leveraged Return calculation compared to a case where no Air Bag Mechanism would have been triggered; and (iv) given the Relevant Stock Exchange for the Underlying Stock is not open for trading during the SGX-ST trading hours, the market price of the Certificates may be affected by the derived spot price of the Underlying Stock on the Related Exchange during SGX-ST trading hours (which may deviate from the published price of the Underlying Stock), consequentially the market price of the Certificates during SGX-ST trading hours may deviate from the published price of the Underlying Stock during the US trading hours on the same day. There is therefore a specific risk that investors in the Certificates may incur a significant or even



entire loss of the amounts invested in the Certificates, without being able to exit their investments in the Certificates.

In particular, please note that the trading price of the Underlying Stock may be volatile during a time in which the SGX-ST is not open for trading of the Certificates. Outside the trading hours of the SGX-ST, investors will not be able to sell or trade in the Certificates even if the trading price of the Underlying Stock is highly volatile.

Market news and/or corporate announcements relating to the Underlying Stock (including corporate event announcements or other price sensitive information) may be released outside the trading hours of the Relevant Stock Exchange for the Underlying Stock (based on New York time), but during the trading hours of the SGX-ST (based on Singapore time). The trading price of the Certificates may become highly volatile during the relevant trading hours of the SGX-ST in response to such market/corporate news pending opening of the Underlying Stock. The market and investors may not have sufficient time to digest fully, and/or assess the potential impact of, such corporate news on the Underlying Stock and hence the Certificates.

Investors may refer to pages 54 to 55 of this document for more information;

- (t) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Certificates may be terminated prior to its Expiry Date for the following reasons which are not exhaustive: Illegality and force majeure, occurrence of a Holding Limit Event (as defined in the Conditions of the Certificates) or Hedging Disruption (as defined in the Conditions of the Certificates). For more detailed examples of when early termination may occur, please refer to the FAQ section under the “Education” tab on the website at [dlc.socgen.com](http://dlc.socgen.com).

The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be substantially less than the amount initially invested, and at the worst case, be zero. Investors may refer to the Condition 13 on pages 39 to 42 of this document for more information;

- (u) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (v) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker’s market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or

more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

- (w) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (x) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (y) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

- (z) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

- Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
- The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

- (aa) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;
- (bb) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (cc) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“CDP”):
  - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
  - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
  - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
  - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (dd) U.S. withholding tax

The Issuer has determined that these Certificates are not “delta-one” instruments for the purposes of IRS Notice 2024-44 and are therefore not Specified Warrants for purposes of the Section 871(m) Regulations as discussed in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986”. Investors are advised that the Issuer’s determination is binding on all Non-U.S. Holders of the Certificates, but it is not binding on the United States Internal Revenue Service (the “IRS”) and the IRS may therefore disagree with the Issuer’s determination. In addition, if any Holder of Certificates also holds an offsetting derivative position in the Underlying Stock that when combined with the Certificates provide “delta-one” exposure to the Underlying Stock, such Holder may have liability under Section 871(m). Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates, including with respect to any other positions the Certificate Holder holds in the Underlying Stock.

**Potential investors are advised to consider the discussion in the accompanying Base Listing Document under “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986” and “TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Foreign Account Tax Compliance Act Withholding” and to consult their own tax adviser on the tax impacts of the acquisition, holding, disposal and redemption of the Certificates. The requirement to pay such taxes may reduce the effective yield on the Certificates and may also have an adverse impact on their value;**

(ee) risks arising from the taxation of securities

Tax law and practice are subject to change, possibly with retroactive effect. This may have a negative impact on the value of the Certificates and/or the market price of the Certificates. For example, the specific tax assessment of the Certificates may change compared to its assessment at the time of purchase of the Certificates. This is especially true with regard to derivative Certificates and their tax treatment. Holders of Certificates therefore bear the risk that they may misjudge the taxation of the income from the purchase of the Certificates. However, there is also the possibility that the taxation of the income from the purchase of the Certificates will change to the detriment of the holders.

Holders of the Certificates bear the risk that the specific tax assessment of the Certificates will change. This can have a negative impact on the value of the Certificates and the investor may incur a corresponding loss. The stronger this negative effect, the greater the loss may be; and

(ff) risk factors relating to the BRRD

*French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.*

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. The BRRD, as amended, has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

In April 2023, the EU Commission released a proposal to amend, in particular, the BRRD according to which senior preferred debt instruments would no longer rank pari passu with any non covered non preferred deposits of the Issuer; instead, senior preferred debt instruments would rank junior in right of payment to the claims of all depositors.

This proposal has been discussed and amended by the European Parliament and the European Council. Council and Parliament reached agreement on 6 December 2023 to make the proposal final and applicable. If the final agreement was adopted as is, there may be an increased risk of an investor in senior preferred debt instruments losing all or some of their investment in the context of the exercise of the Bail-in Power. The final agreement may also lead to a rating downgrade for senior preferred debt instruments.

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (“**SRM**”) and a Single Resolution Framework (the “**SRM Regulation**”) has established a centralised power of resolution entrusted to a Single Resolution Board (the “**SRB**”) in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank (“**ECB**”) has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism (“**SSM**”). In addition, the SRM has been put in place to ensure

that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been, and continues to be, designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD and the SRM Regulation provide the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

The BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The regime has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts were published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms ("**BRRD II**"); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the

**“SRM II Regulation”** and, together with the BRRD II, the **“EU Banking Package Reforms”**).

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (**“FSB TLAC Term Sheet”**), by adapting, among other things, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC has been implemented in accordance with the FSB TLAC Term Sheet, which impose a level of **“Minimum TLAC”** that will be determined individually for each global systemically important bank (**“G-SIB”**), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the **“CRR”**), as amended notably by Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the **“CRR II”**) and Regulation (EU) 2022/2036 of the European Parliament and of the Council of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU as regards the prudential treatment of global systemically important institutions with a multiple-point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities, EU G-SIBs, such as Societe Generale, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in BRRD, as amended notably by BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that MREL be met with own funds and other subordinated

liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail-in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks, including Societe Generale).



## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.*

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	1,500,000 European Style Cash Settled Short Certificates relating to the Common Stock of Tesla, Inc. (the <b>“Underlying Stock”</b> )
ISIN:	LU2517563768
Company:	Tesla, Inc. (RIC: TSLA.OQ)
Underlying Price and Source:	The closing price of the Underlying Stock on 3 December 2024 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-3x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	USD 7.00
Management Fee (p.a.) <sup>3</sup> :	0.40%
Gap Premium (p.a.) <sup>4</sup> :	13.00%, is a hedging cost against extreme market movements beyond US market close on the same trading day.
Stock Borrowing Cost <sup>5</sup> :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost <sup>5</sup> :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	27 November 2024
Closing Date:	3 December 2024
Expected Listing Date:	4 December 2024

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<sup>3</sup> Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

<sup>4</sup> Please note that the Gap Premium is calculated on a 360-day basis.

<sup>5</sup> These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days’ notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 27 November 2026
Expiry Date:	The Business Day immediately following the Valuation Date, currently being 4 December 2026
Board Lot:	100 Certificates
Valuation Date:	3 December 2026 or if such day is not an Underlying Stock Business Day, the immediately following Underlying Stock Business Day and subject to the Market Disruption Event provisions.
Settlement Date:	No later than five Settlement Business Days following the Expiry Date, currently being 11 December 2026.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:  Closing Level multiplied by the Notional Amount per Certificate  Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 46 to 60 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$

Where:

“t” refers to “**Observation Date**” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (such Underlying Stock Business Day being noted “t-1”) (included) and the Observation Date “t” (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 46 to 60 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left( \frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 22 to 26 below.

Initial Exchange Rate: 1

Final Exchange Rate:	1
Air Bag Mechanism:	<p>The “<b>Air Bag Mechanism</b>” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 20% or more (“<b>Air Bag Trigger Price</b>”) during the trading day of the Relevant Stock Exchange for the Underlying Stock (which represents an approximately 60% loss after a 3 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day during the trading hours of the Relevant Stock Exchange for the Underlying Stock. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.</p> <p>The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.</p> <p>Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 24 to 26 below and the “Description of Air Bag Mechanism” section on pages 52 to 53 of this document for further information of the Air Bag Mechanism.</p>
Adjustments and Extraordinary Events:	<p>The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.</p>
Underlying Stock Currency:	United States Dollar (“ <b>USD</b> ”)
Settlement Currency:	USD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (“ <b>SGX-ST</b> ”)
Relevant Stock Exchange for the Underlying Stock:	NASDAQ
Related Exchange:	Each exchange or quotation system, or alternative trading system, where trading has a material effect (as determined by the Calculation Agent) on the overall market for the Underlying Stock when the Relevant Stock Exchange for the Underlying Stock is not

open for trading

Underlying Stock Business Day,  
Business Day or Settlement  
Business Day:

An “**Underlying Stock Business Day**” means a day on which NASDAQ is open for dealings in the United States during its normal trading hours and banks are open for business in the United States.

A “**Business Day**” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

A “**Settlement Business Day**” is a Business Day on which the banks are open for business in the United States.

Warrant Agent:

The Central Depository (Pte) Limited (“**CDP**”)

Clearing System:

CDP

Fees and Charges:

Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Investors holding position beyond market close of the SGX-ST would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET. Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange for the Underlying Stock, unless investors exit their position within the same SGX-ST trading day, they would bear such annualised costs.

Further Information:

Please refer to the website at [dlc.socgen.com](http://dlc.socgen.com) for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

## Specific Definitions relating to the Leverage Inverse Strategy

### Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 3 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 3 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

### Leverage Inverse Strategy Formula

**LSL<sub>t</sub>** means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - SB_{t-1,t} - RC_{t-1,t}), 0]$$

**LR<sub>t-1,t</sub>** means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times R_{factor_t}} - 1 \right)$$

**FC<sub>t-1,t</sub>** means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

**SB<sub>t-1,t</sub>** means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$SB_{t-1,t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

**CB** means the Cost of Borrowing applicable that is equal to 3.00%.

**RC<sub>t-1,t</sub>** means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows:

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left| \frac{S_t}{S_{t-1} \times R_{factor_t}} - 1 \right| \right) \times \text{TC}$$

<b>TC</b>	means the Transaction Costs applicable (including brokerage fees and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:  0.20%
<b>Leverage</b>	-3
<b>S<sub>t</sub></b>	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
<b>Rate<sub>t</sub></b>	means, in respect of each Observation Date(t), the US SOFR Secured Overnight Financing Rate, as published on Bloomberg Screen SOFRRATE Index page or any successor page, being the rate as of such Observation Date (t), provided that if any of such rates is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Bloomberg page.
<b>Rfactor<sub>t</sub></b>	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula:  $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p><i>Div<sub>t</sub></i> is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.</p>
<b>ACT(t-1,t)</b>	ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (such Underlying Stock Business Day being noted "t-1") (included) and the Observation Date "t" (excluded).
<b>DayCountBasis Rate</b>	365
<b>Benchmark Fallback</b>	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
<b>Reference Rate Event</b>	means, in respect of the Reference Rate any of the following has occurred or will occur:  (i) a Reference Rate Cessation;  (ii) an Administrator/Benchmark Event; or  (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide

development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

**Reference Rate Cessation** means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

**Administrator/  
Benchmark  
Event**

means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

**Reference  
Rate(s)**

means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

**Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")**

**Extraordinary Strategy  
Adjustment for**

If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted



**Performance Reasons** hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date ( $LSL_{IRD}$ ) should be computed as follows:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)} \times (1 + ILR_{IR(n),IR(C)} - IRC_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

**$ILSL_{IR(k)}$**  means, in respect of  $IR(k)$ , the Intraday Leverage Inverse Strategy Level in accordance with the following provisions:

(1) for  $k = 1$ :

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - SB_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for  $k > 1$ :

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

**$ILR_{IR(k-1),IR(k)}$**  means the Intraday Leveraged Return between  $IR(k-1)$  and  $IR(k)$ , calculated as follows:

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left( \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

**$IRC_{IR(k-1),IR(k)}$**  means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of  $IR(k)$  on a given Intraday Restrike Date, calculated as follows:

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left| \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right| \right) \times TC$$

**$IS_{IR(k)}$**  means the Underlying Stock Price in respect of  $IR(k)$  computed as follows:

(1) for  $k=0$

$$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for  $k=1$  to  $n$

means in respect of  $IR(k)$ , the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to  $IR(C)$

$$IS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

**$IR(k)$**  For  $k=0$ , means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

	For k=1 to n, means the k <sup>th</sup> Intraday Restrike Event on the relevant Intraday Restrike Date.
<b>IR(C)</b>	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
<b>n</b>	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
<b>Intraday Restrike Event</b>	means in respect of an Observation Date(t): (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 20% or more compared with the relevant Underlying Stock Price $IS_{IR(0)}$ as of such Calculation Time. (2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 20% or more compared with the relevant Underlying Stock Price $IS_{IR(k)}$ as of such Calculation Time.
<b>Calculation Time</b>	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
<b>TimeReferenceOpening</b>	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>TimeReferenceClosing</b>	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>Intraday Restrike Event Observation Period</b>	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes of continuous trading after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
<b>Intraday Restrike Event Time</b>	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

## TERMS AND CONDITIONS OF

### THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

#### 1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of: -
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 14 June 2024, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
  - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the “**Law**”) on 11 December 2016;
- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
  - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer’s liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:
    - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
    - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other

securities or other obligations of the Issuer or the Guarantor or another person;

- (C) the cancellation of the Certificates; and/or
- (D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the “**Statutory Bail-In**”);

- (ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the “**Code**”):

- (A) ranking:
  - (1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the Code;
  - (2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the Code; and
  - (3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the Code; and
- (B) which are not *titres non structurés* as defined under Article R.613-28 of the Code, and
- (C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer’s obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself and any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the “**Contractual Bail-in**”).

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

**“Amounts Due”** means any amounts due by the Issuer under the Certificates.

**“Bail-In Power”** means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, varied or otherwise modified in any way and/or converted into shares or other securities or obligations of the obligor or any other person.

**“MREL”** means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15

May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

“**Relevant Resolution Authority**” means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

## 2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left( \frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case: -

- (i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

“**Market Disruption Event**” means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the “**Exercise Expenses**”). An

amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

- (c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

### **3. Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

### **4. Exercise of Certificates**

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Settlement Business Days (as defined in the relevant Supplemental Listing Document and subject to extension upon the occurrence of a Settlement Disruption Event (as defined below)) following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.



If the Issuer determines, in its sole discretion, that on any Settlement Business Day during the period of five Settlement Business Days following the Expiry Date a Settlement Disruption Event has occurred, such Settlement Business Day shall be postponed to the next Settlement Business Day on which the Issuer determines that the Settlement Disruption Event is no longer subsisting and such period shall be extended accordingly, provided that the Issuer and/or the Guarantor shall make their best endeavours to implement remedies as soon as reasonably practicable to eliminate the impact of the Settlement Disruption Event on its/their payment obligations under the Certificates and/or the Guarantee.

**“Settlement Disruption Event”** means the occurrence or existence of any malicious action or attempt initiated to steal, expose, alter, disable or destroy information through unauthorised access to, or maintenance or use of, the Computer Systems of the Issuer, the Guarantor, the Calculation Agent, their respective affiliates (the “SG Group”), their IT service providers, by (and without limitation) the use of malware, ransomware, phishing, denial or disruption of service or cryptojacking or any unauthorized entry, removal, reproduction, transmission, deletion, disclosure or modification preventing the Issuer, the Guarantor and/or the Calculation Agent to perform their obligations under the Certificates, and notwithstanding the implementation of processes, required, as the case may be, by the laws and regulations applicable to the Issuer, the Guarantor, the Calculation Agent and their affiliates, or their IT service providers to improve their resilience to these actions and attempts.

**“Computer System”** means all the computer resources including, in particular: hardware, software packages, software, databases and peripherals, equipment, networks, electronic installations for storing computer data, including Data. The Computer System shall be understood to be that which (i) belongs to the SG Group and/or (ii) is rented, operated or legally held by the SG Group under a contract with the holder of the rights to the said system and/or (iii) is operated on behalf of the SG Group by a third party within the scope of a contractual relationship and/or (iv) is made available to the SG Group under a contract within the framework of a shared system (in particular cloud computing).

**“Data”** means any digital information, stored or used by the Computer System, including confidential data.

- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a **“Business Day”** shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

## 5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the

specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

## 6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions.* “**Potential Adjustment Event**” means any of the following:

- (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
- (iii) an extraordinary dividend;
- (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
- (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

- (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
  - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or
  - (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.
- (e) *Subdivision or Consolidation of the Certificates.* The Issuer reserves the right to subdivide or consolidate the Certificates, provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction) and subject to the approval of the SGX-ST.
- (f) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it

believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

- (g) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

#### **6A. US withholding tax implications on the Payment**

Notwithstanding any other provision of these Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction (i) required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**US Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the US Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto, (ii) imposed pursuant to the Section 871(m) Regulations (“**Section 871(m) Withholding**”) or (iii) imposed by any other law of the United States. In addition, in determining the amount of Section 871(m) Withholding imposed on any payments on the Certificates, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the US Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

With respect to Specified Warrants that provide for net dividend reinvestment in respect of either an underlying U.S. security (i.e. a security that pays U.S. source dividends) or an index that includes U.S. securities, all payments on Certificates that reference such U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer or the Guarantor will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer or the Guarantor will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

For the purpose of this Condition:

“**Section 871(m) Regulations**” means the U.S. Treasury regulations issued under Section 871(m) of the Code.

“**Specified Warrants**” means, subject to special rules from 2017 through 2026 set out in Notice 2024-44 (the **Notice**), Warrants issued on or after 1 January 2017 that substantially replicate the economic performance of one or more U.S. underlying equities as determined by the Issuer on the date for such Warrants as of which the expected delta of the product is determined by the Issuer, based on tests set out in the applicable Section 871(m) Regulations, such that the Warrants are subject to withholding under the Section 871(m) Regulations.

## 7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

## 8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

## 9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

## **10. Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

## **11. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

## **12. Delisting**

- (a) *Delisting.* If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) *Issuer's Determination.* The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

## **13. Early Termination**

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may

in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(e).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

**“Regulatory Event”** means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **“Relevant Affiliates”** and each of the Issuer, Société Générale and the Relevant Affiliates, a **“Relevant Entity”**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer’s obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer’s obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer’s obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer’s obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer’s capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

**“Change in law”** means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising



executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for Holding Limit Event.* The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(e) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

**“Holding Limit Event”** means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

- (c) *Early Termination for Hedging Disruption.* If the Issuer or any of its affiliates is, following commercially reasonable efforts, not in the position (i) to enter, re-enter, replace, maintain, liquidate, acquire or dispose of any Hedge Positions (as defined below) or (ii) to freely realize, recover, receive, repatriate, remit, regain or transfer the proceeds of any Hedge Position (where either (i) or (ii) shall constitute a **“Hedging Disruption”**), the Issuer may terminate the Certificates early in accordance with Condition 13(e) provided that the intrinsic value on the previous trading day of the relevant Certificate is at or above the Issue Price. The Issuer’s decision on whether a Hedging Disruption has occurred is final and conclusive. For the avoidance of doubt, Hedging Disruptions shall include the scenario where any Hedge Position cannot be maintained up to the amount necessary to cover all of the Issuer’s obligations under the Certificates.

For the purposes hereof, **“Hedge Positions”** means any one or more commercially reasonable (i) positions (including long or short positions) or contracts in, or relating to, securities, options, futures, other derivatives contracts or foreign exchange, (ii) stock loan or borrowing transactions or (iii) other instruments, contracts, transactions or arrangements (howsoever described) that the Issuer or any of its affiliates determines necessary to hedge, individually or on a portfolio basis, any risk (including, without limitation, market risk, price risk, foreign exchange risk and interest rate risk) in relation to the assumption and fulfilment of the Issuer’s obligations under the Certificates.

- (d) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer’s sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(e) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without

considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

- (e) *Termination.* If the Issuer terminates the Certificates early, the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The determination of the fair market value may deviate from the determination of the Cash Settlement Amount under different scenarios, including but not limited to, where (i) the Daily Reset (as defined in the relevant Supplemental Listing Document) mechanism is suspended and/or (ii) the Final Reference Level is determined based on the closing price of the Underlying Stock on multiple Underlying Stock Business Days or Exchange Business Days, as the case may be. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

#### **14. Substitution of the Issuer**

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the “**Substituted Obligor**”), it shall give at least 90 days’ notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

#### **15. Governing Law**

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

**16. Prescription**

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

**17. Contracts (Rights of Third Parties) Act 2001 of Singapore**

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

## SUMMARY OF THE ISSUE

*The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.*

Issuer:	SG Issuer
Company:	Tesla, Inc.
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	1,500,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 14 June 2024 (the “ <b>Master Instrument</b> ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ <b>Master Warrant Agent Agreement</b> ”) and made between the Issuer, the Guarantor and the Warrant Agent (as amended and/or supplemented from time to time).
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to:  Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	USD
Board Lot:	100 Certificates

- Transfers of Certificates: Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
- Listing: Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 4 December 2024.
- Governing Law: The laws of Singapore
- Warrant Agent: The Central Depository (Pte) Limited  
4 Shenton Way  
#02-01 SGX Centre 2  
Singapore 068807
- Further Issues: Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

## **INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES**

### **What are European Style Cash Settled Short Certificates on Single Equities?**

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

#### **A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry**

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

- (1) is the Final Reference Level multiplied by the Final Exchange Rate;
- (2) is the Initial Reference Level multiplied by the Initial Exchange Rate;
- (3) is the Strike Level; and
- (4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will fall and are seeking short-term leveraged inverse exposure to the Underlying Stock.

#### **B) Trading the Certificates before Expiry**

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates beyond market close of the SGX-ST: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. Due to the difference in trading hours of the SGX-ST and the Relevant Stock Exchange for the Underlying Stock, unless investors exit their position within the same SGX-ST trading day, they would bear the annualised costs.

### Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
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Daily Fees	=	<b>Daily Management Fee Adjustment</b>
		$1 - \text{Management Fee} \times \text{ACT} (t-1;t) / 360$
		x
		<b>Daily Gap Premium Adjustment</b>
		$1 - \text{Gap Premium} (t-1) \times \text{ACT} (t-1;t) / 360$

### Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	$t^6=0$	x	$t=1$	x	$t=2$	x ...	$t=i$				
		Notional Amount		Leverage Inverse Strategy daily performance <sup>7</sup>		x		Daily Fees	Leverage Inverse Strategy daily performance	x	Daily Fees	Leverage Inverse Strategy Daily performance

Value of Certificates	=	$t=0$	x	<b>Product of the daily Leverage Inverse Strategy Performance</b>	x	<b>Product of the Daily Fees (Hedging Fee Factor)</b>	
		Notional Amount		Leverage Inverse Strategy daily performance		x	Leverage Inverse Strategy daily performance

Final Value of Certificates	=	$t=0$	x	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount						

### Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday within SGX-ST trading hours, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

<sup>6</sup> "t" refers to "Observation Date" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date on which no Market Disruption Event occurs.

<sup>7</sup> Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

## Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you **MUST NOT** rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Common Stock of Tesla, Inc.
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	7.00 USD
Notional Amount per Certificate:	7.00 USD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	13.00%
Strike Level:	Zero

### Hedging Fee Factor

Hedging Fee Factor on the  $n^{\text{th}}$  Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 13.00\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9639\% \approx 99.9628\%$$



Assuming 2<sup>nd</sup> Underlying Stock Business Day falls 3 Calendar Days after 1<sup>st</sup> Underlying Stock Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

$$\text{HFF (2)} = 99.9628\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 13.00\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9628\% \times 99.9967\% \times 99.8917\% \approx 99.8512\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n-1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.4430% as illustrated below:

Date	HFF
03/07/2018	100.0000%
04/07/2018	99.9628%
05/07/2018	99.9256%
06/07/2018	99.8884%
09/07/2018	99.7768%
10/07/2018	99.7397%
11/07/2018	99.7026%
12/07/2018	99.6655%
13/07/2018	99.6284%
16/07/2018	99.5171%
17/07/2018	99.4801%
18/07/2018	99.4430%

### Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.4430\%$$

$$= 119.33\%$$

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

$$= 119.33\% \times 7.00 \text{ USD}$$

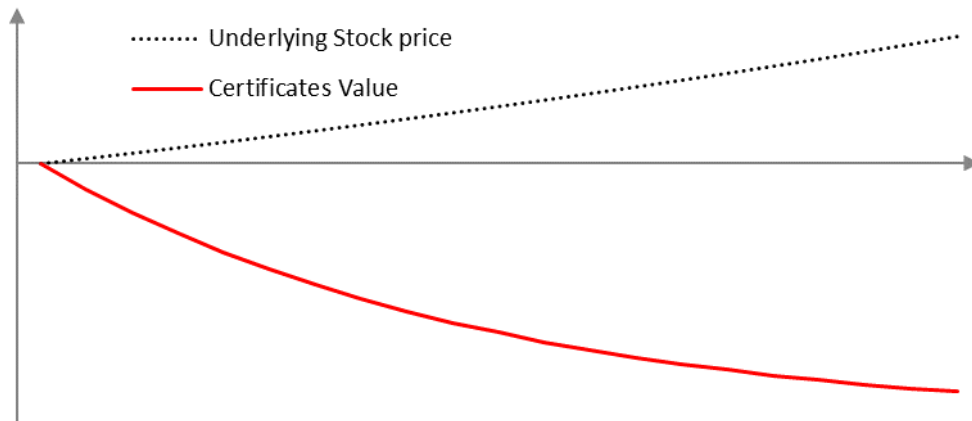
$$= 8.353 \text{ USD}$$

### Illustration on how returns and losses can occur under different scenarios

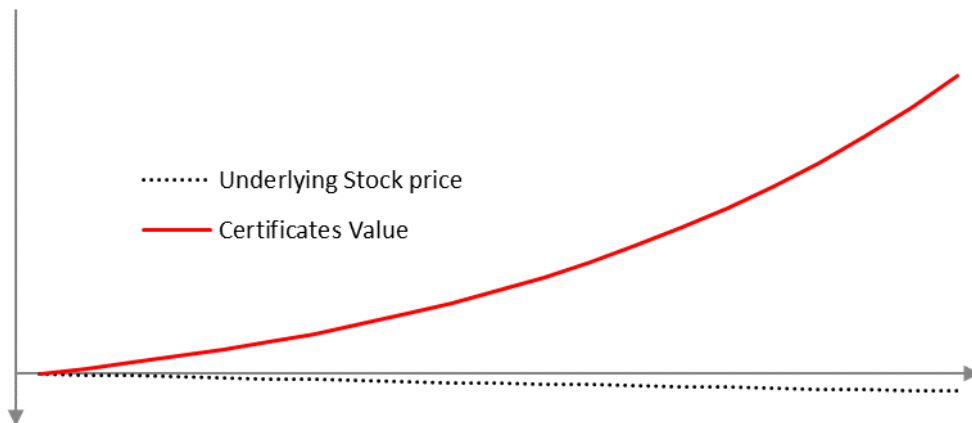
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees or any other market parameters.

#### 1. Illustrative examples

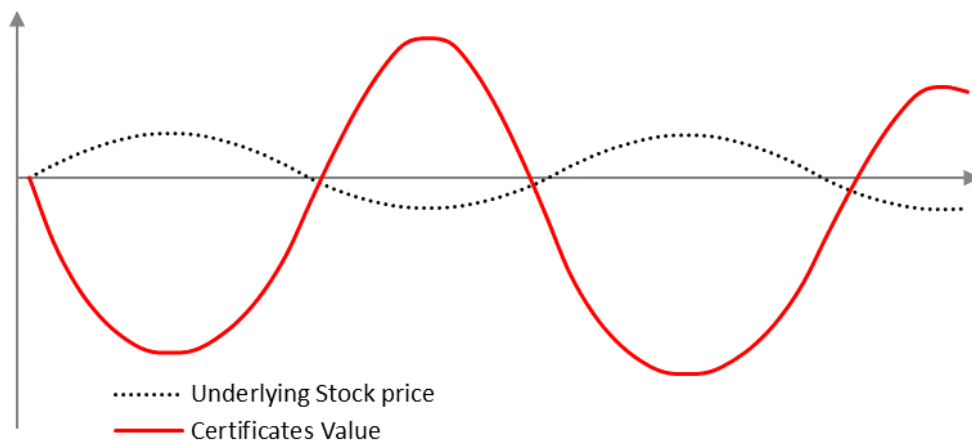
Scenario 1 – Upward Trend (during US trading hours)



Scenario 2 – Downward Trend (during US trading hours)



Scenario 3 – Volatile Market (during US trading hours)



## 2. Numerical Examples

### Scenario 1 – Upward Trend

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of US trading day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return	0.00%	2.00%	4.04%	6.12%	8.24%	10.41%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-6.0%	-6.0%	-6.0%	-6.0%	-6.0%
Value at end of US trading day	7.00	6.58	6.19	5.81	5.47	5.14
Accumulated Return	0.00%	-6.00%	-11.64%	-16.94%	-21.93%	-26.61%

### Scenario 2 – Downward Trend

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of US trading day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return	0.00%	-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		6.0%	6.0%	6.0%	6.0%	6.0%
Value at end of US trading day	7.00	7.42	7.87	8.34	8.84	9.37
Accumulated Return	0.00%	6.00%	12.36%	19.10%	26.25%	33.82%

### Scenario 3 – Volatile Market

<b>Underlying Stock</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of US trading day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return	0.00%	2.00%	-0.04%	1.96%	-0.08%	1.92%

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-6.0%	6.0%	-6.0%	6.0%	-6.0%
Value at end of US trading day	7.00	6.58	6.97	6.56	6.95	6.53
Accumulated Return	0.00%	-6.00%	-0.36%	-6.34%	-0.72%	-6.68%

## Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, the following events occur:

- **Observation Period:** the price of the Underlying Stock is observed and its maximum price is recorded (i) during 15 minutes of continuous trading after the Air Bag is triggered, or (ii) until Market Close if there is less than 15 minutes of continuous trading until Market Close when the Air Bag Mechanism is triggered; and thereafter
- **Reset Period:** the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy after the reset.

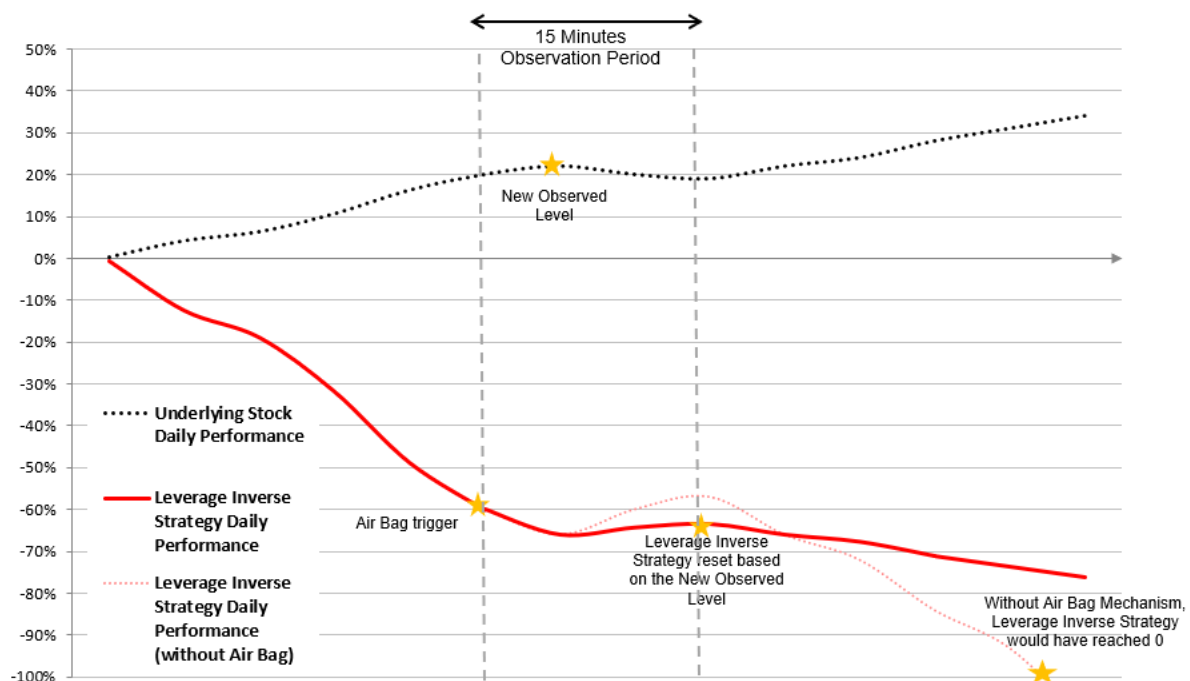
With **Market Close** defined as:

- the Underlying Stock closing time with respect to the Observation Period

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

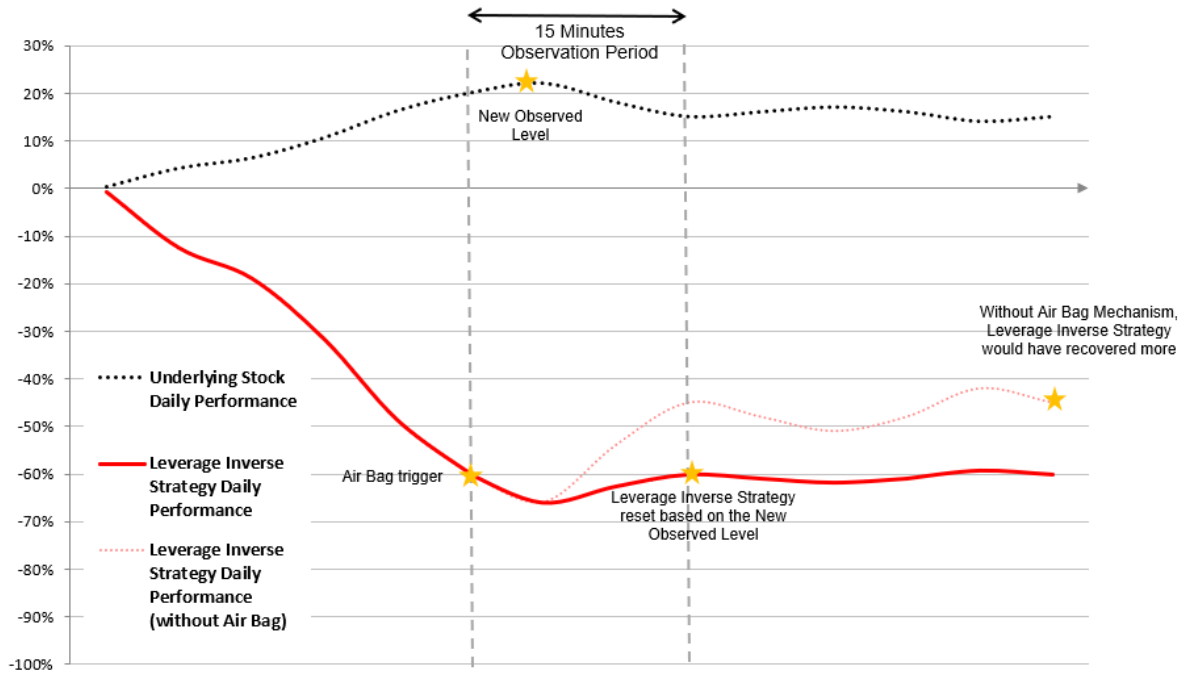
### Illustrative examples of the Air Bag Mechanism<sup>8</sup>

#### Scenario 1 – Upward Trend after Air Bag trigger (during US trading hours)

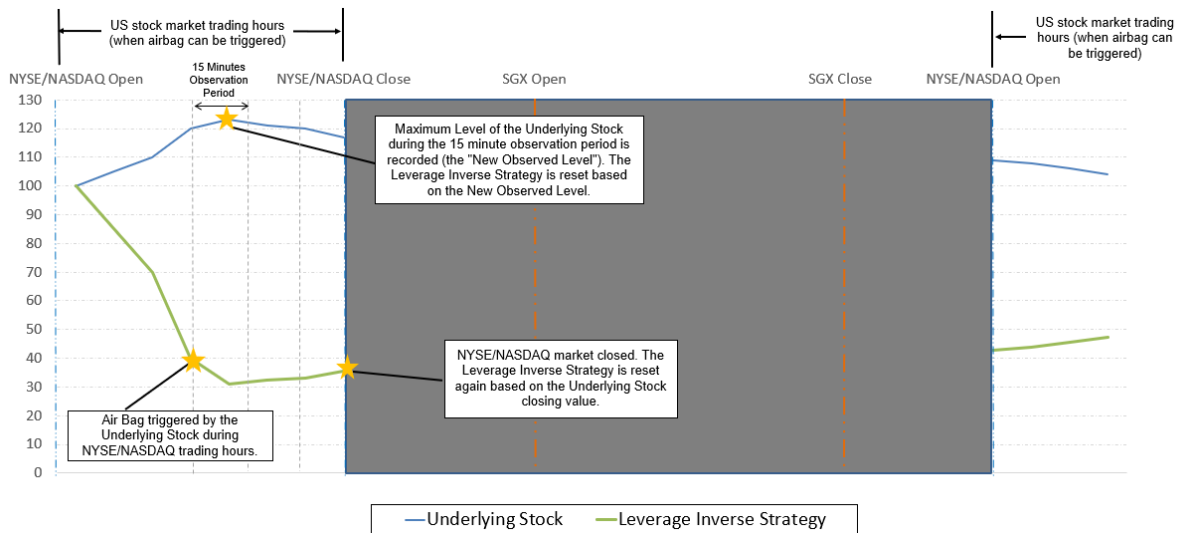


<sup>8</sup> The illustrative examples are not exhaustive. The illustrative examples above are designed to illustrate the impact of the Air Bag Mechanism on the assumption that there will be a residual value in the Certificates following the Air Bag triggers. Please refer to “Scenarios where the investor may lose the entire value of the investment” on pages 54 to 55 on hypothetical scenarios when investors may lose their entire value of the investment.

Scenario 2 – Downward Trend after Air Bag trigger (during US trading hours)



- **The Air Bag Mechanism can only be triggered during trading hours of the Relevant Stock Exchange for the Underlying Stock**

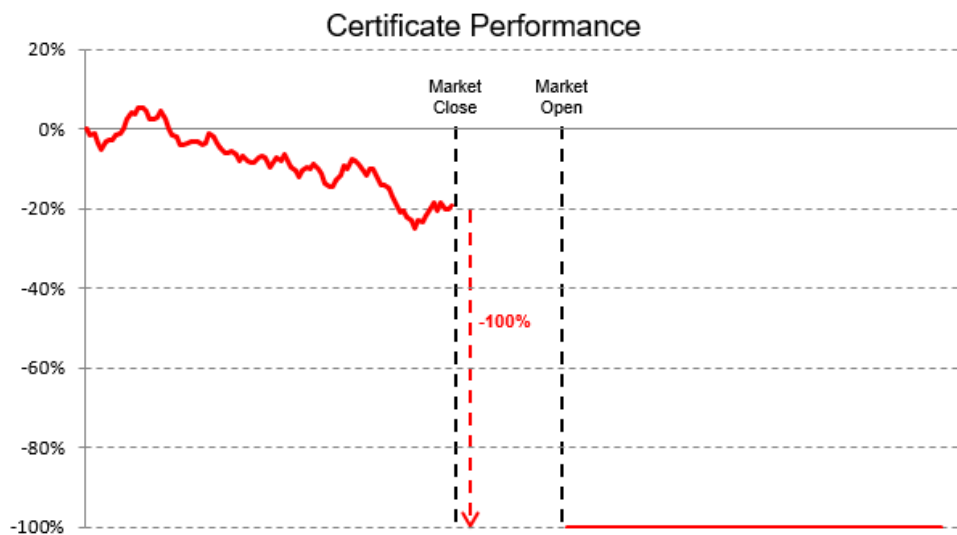
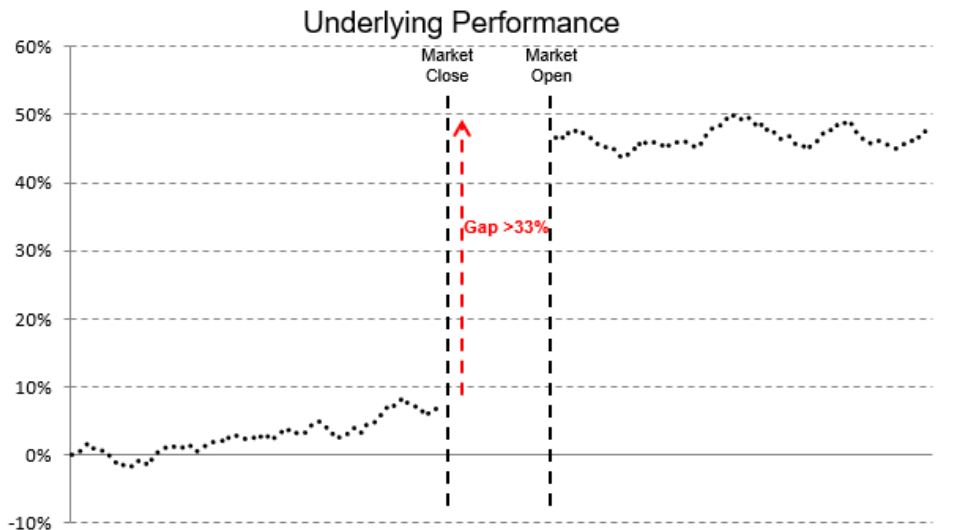


## Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

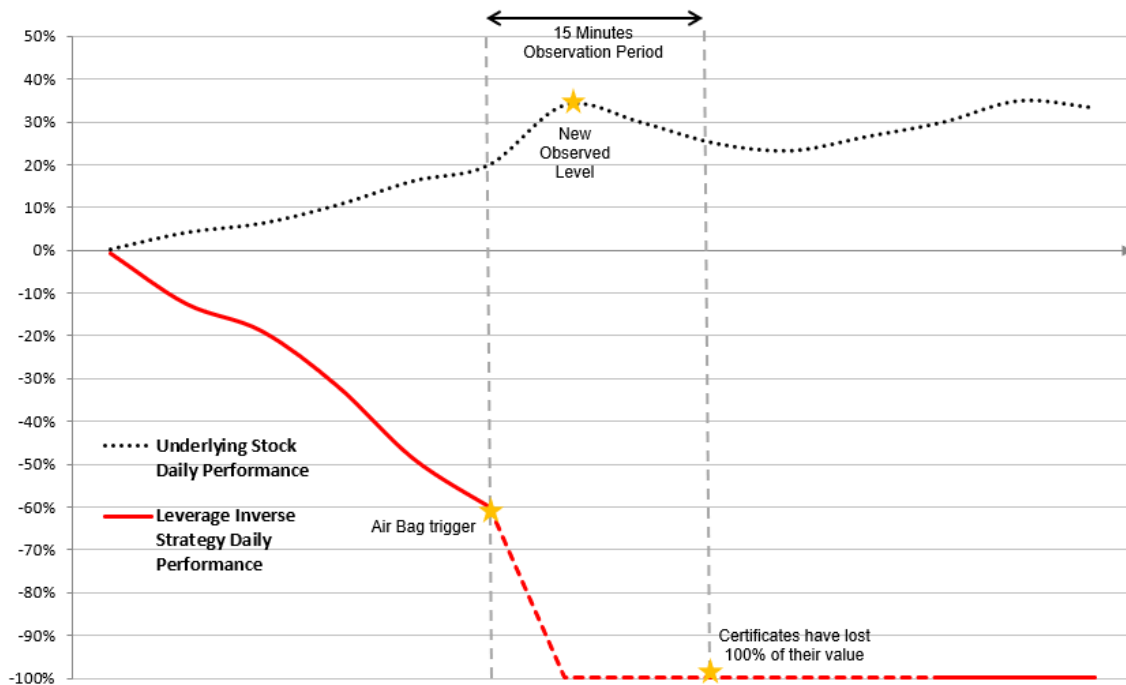
### Scenario 1 – Rise of the Underlying Stock outside of US trading hours

On any Underlying Stock Business Day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous trading day of the Relevant Stock Exchange for the Underlying Stock. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is approximately 33% or more above the closing price on the previous trading day of the Relevant Stock Exchange for the Underlying Stock, the Air Bag Mechanism may only be triggered during the trading hours of the Relevant Stock Exchange for the Underlying Stock, and the Certificates would lose their entire value in such event. In such case, as the Certificates became valueless during the US trading hours, at subsequent SGX-ST open, the DMM may not provide any quotation on the Certificates and the Issuer may apply to suspend trading of the Certificates.



Scenario 2 – Sharp intraday rise of the Underlying Stock during US trading hours

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificates can lose 100% of their value in the event the price of the Underlying Stock rises by approximately 33% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event. In such case, as the Certificates became valueless during the US trading hours, at subsequent SGX-ST open, the DMM may not provide any quotation on the Certificates and the Issuer may apply to suspend trading of the Certificates.



## Examples and illustrations of adjustments due to certain corporate actions

*The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.*

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the  $Rfactor_t$  with respect to such Observation Date (t) by an amount computed according to the following generic formula:

$$Rfactor_t = \left[ 1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of  $Rfactor_t$  would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag Mechanism would not be triggered if the stock price rises by 20% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$  is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

**M** is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

**R** is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

### 1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$



M = 1 (i.e. 1 new Shares for 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{51}{100 \times 50\%} - 1 \right) = -6\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
7.00	6.58	-6%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$60, which is 20% above \$50, the Underlying Stock Reference Price.

## 2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = \$0 (no subscription price / redemption price)

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{202}{100 \times 200\%} - 1 \right) = -3\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
7.00	6.79	-3%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$240, which is 20% above \$200, the Underlying Stock Reference Price.

### 3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{84}{100 \times 80\%} - 1 \right) = -15\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
7.00	5.95	-15%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$96, which is 20% above \$80, the Underlying Stock Reference Price.

#### 4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[ 1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{85}{100 \times 83.33\%} - 1 \right) = -6\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
7.00	6.58	-6%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$100, which is 20% above \$83.33, the Underlying Stock Reference Price.

#### 5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[ 1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left( \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -3 \times \left( \frac{84}{100 \times 80\%} - 1 \right) = -15\%$$

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
7.00	5.95	-15%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$96, which is 20% above \$80, the Underlying Stock Reference Price.

## INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of NASDAQ at [www.nasdaq.com](http://www.nasdaq.com) and/or the Company's web-site at <https://ir.tesla.com/>. The Issuer has not independently verified any of such information.*

Tesla, Inc. (the “**Company**”) designs, manufactures, and sells high-performance electric vehicles and electric vehicle powertrain components. The Company owns its sales and service network and sells electric powertrain components to other automobile manufacturers. Tesla serves customers worldwide.

The information set out in Appendix I of this document relates to the quarterly report of the Company and its subsidiaries for the period ended 30 September 2024 and has been extracted and reproduced from an announcement by the Company released on 24 October 2024 in relation to the same. Further information relating to the Company may be located on the web-site of NASDAQ at [www.nasdaq.com](http://www.nasdaq.com).

## INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker (“DMM”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : (i) when the best bid price of the Certificate is US\$10 and below: 10 ticks or US\$0.20 whichever is greater; and  
(ii) when the best bid price of the Certificate is above US\$10: 5% of the best bid price of the Certificate.
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide quotations in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);
- (iii) when trading in the Underlying Stock is suspended or limited in a material way for any reason (including price quote limits activated by the Relevant Stock Exchange for the Underlying Stock or otherwise<sup>9</sup>), for the avoidance of doubt, the DMM is not obliged to provide quotation for the Certificate at any time when the Underlying Stock is not negotiated/traded for any reason during the last trading session of the Relevant Stock Exchange for the Underlying Stock;
- (iv) when trading of the Underlying Stock on any Related Exchange, or access to pricing information of the Underlying Stock on any Related Exchange is suspended, not available, or limited in a material way for any reason (including price quote limits activated by the Related Exchange on such Underlying Stock or otherwise);
- (v) where the Certificates are suspended from trading for any reason including, but without limitation, as a result of trading in the Underlying Stock on any Related Exchange being suspended, or trading generally on any Related Exchange being suspended;
- (vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or the Relevant Stock Exchange for the Underlying Stock<sup>9</sup> or any Related Exchange for the Underlying Stock, or

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<sup>9</sup> Price quote limits activated by the Relevant Stock Exchange for the Underlying Stock are not applicable to the market making of the Certificates (as defined herein).

any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock, or in trading of the Underlying Stock on any Related Exchange;

- (vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide bid quotations. The DMM may provide intermittent offer quotations when it has inventory of the Certificates;
- (x) if the SGX-ST, the Relevant Stock Exchange for the Underlying Stock or any Related Exchange experiences exceptional price movement and volatility;
- (xi) when any Related Exchange(s) relating to the trading of the Underlying Stock and the Relevant Stock Exchange for the Underlying Stock are not open for dealings concurrently;
- (xii) when it is a public holiday in Singapore and the SGX-ST is not open for dealings; and
- (xiii) during trading hours of the SGX-ST on any Business Day when it is a public holiday in the United States and the Relevant Stock Exchange for the Underlying Stock is not open for dealings.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Business Day immediately preceding the Expiry Date.

## **SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR**

The information set out in Appendix II of this document is a reproduction of the press release dated 31 October 2024 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2024.

On 23 September 2024, the share capital of Société Générale stands at EUR 1,000,395,971.25 and comprises 800,316,777 shares with a nominal value of EUR 1.25 per share.



## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with the information set out in the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in United States Dollar. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2024 or the Guarantor since 30 September 2024, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
  - (a) the Guarantee;
  - (b) the Master Instrument; and
  - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The reports of the Auditors of the Issuer and the Guarantor were not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.
7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.
9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale,

Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
- (b) the latest financial reports (including the notes thereto) of the Issuer;
- (c) the latest financial reports (including the notes thereto) of the Guarantor;
- (d) the Base Listing Document (which can also be viewed at: <https://www.sgx.com/securities/prospectus-circulars-offer-documents>);
- (e) this document; and
- (f) the Guarantee.

## PLACING AND SALE

### General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

### Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

### Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("SFO")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("CWUMPO") or which do not constitute an offer to the public within the meaning of the CWUMPO; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made

available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

### **United Kingdom**

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or

dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

### **United States**

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) and the Issuer has not been and will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it is not a U.S. Person, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S.

person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986 (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person), or (iv) a U.S. Person for purposes of the final rules implementing the credit risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended.

## **APPENDIX I**

### **REPRODUCTION OF THE QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2024 OF TESLA, INC. AND ITS SUBSIDIARIES**

The information set out below is a reproduction of the quarterly report of the Company and its subsidiaries for the period ended 30 September 2024 and has been extracted and reproduced from an announcement by the Company released on 24 October 2024 in relation to the same.

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

(Mark One)

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

For the quarterly period ended September 30, 2024  
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)

Texas  
(State or other jurisdiction of  
incorporation or organization)

91-2197729  
(I.R.S. Employer  
Identification No.)

1 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

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 18, 2024, there were 3,210,059,659 shares of the registrant's common stock outstanding.



TESLA, INC.

FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2024

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## **Forward-Looking Statements**

*The discussions in this Quarterly Report on Form 10-Q contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future and management's current expectations, involve certain risks and uncertainties and are not guarantees. These forward-looking statements include, but are not limited to, statements concerning supply chain constraints, our strategy, competition, future operations and production capacity, future financial position, future revenues, projected costs, profitability, expected cost reductions, capital adequacy, expectations regarding demand and acceptance for our technologies, growth opportunities and trends in the markets in which we operate, prospects and plans and objectives of management. The words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would," "predicts" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Future results may differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part I, Item 1A, "Risk Factors" of the Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and that are otherwise described or updated from time to time in our other filings with the Securities and Exchange Commission (the "SEC"). The discussion of such 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.*

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**PART I. FINANCIAL INFORMATION**  
**ITEM 1. FINANCIAL STATEMENTS**

**Tesla, Inc.**  
**Consolidated Balance Sheets**  
(in millions, except per share data)  
(unaudited)

	September 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 18,111	\$ 16,398
Short-term investments	15,537	12,696
Accounts receivable, net	3,313	3,508
Inventory	14,530	13,626
Prepaid expenses and other current assets	4,888	3,388
Total current assets	56,379	49,616
Operating lease vehicles, net	5,380	5,989
Solar energy systems, net	5,040	5,229
Property, plant and equipment, net	36,116	29,725
Operating lease right-of-use assets	4,867	4,180
Digital assets, net	184	184
Intangible assets, net	158	178
Goodwill	253	253
Deferred tax assets	6,486	6,733
Other non-current assets	4,989	4,531
<b>Total assets</b>	\$ 119,852	\$ 106,618
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 14,654	\$ 14,431
Accrued liabilities and other	10,601	9,080
Deferred revenue	3,031	2,864
Current portion of debt and finance leases	2,291	2,373
Total current liabilities	30,577	28,748
Debt and finance leases, net of current portion	5,405	2,857
Deferred revenue, net of current portion	3,350	3,251
Other long-term liabilities	9,810	8,153
<b>Total liabilities</b>	49,142	43,009
Commitments and contingencies (Note 10)		
Redeemable noncontrolling interests in subsidiaries	70	242
<b>Equity</b>		
Stockholders' equity		
Preferred stock; \$0.001 par value; 100 shares authorized; no shares issued and outstanding	—	—
Common stock; \$0.001 par value; 6,000 shares authorized; 3,207 and 3,185 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	3	3
Additional paid-in capital	37,286	34,892
Accumulated other comprehensive loss	(14)	(143)
Retained earnings	32,656	27,882
Total stockholders' equity	69,931	62,634
Noncontrolling interests in subsidiaries	709	733
<b>Total liabilities and equity</b>	\$ 119,852	\$ 106,618

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Operations**  
(in millions, except per share data)  
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenues</b>				
Automotive sales	\$ 18,831	\$ 18,582	\$ 53,821	\$ 57,879
Automotive regulatory credits	739	554	2,071	1,357
Automotive leasing	446	489	1,380	1,620
Total automotive revenues	20,016	19,625	57,272	60,856
Energy generation and storage	2,376	1,559	7,025	4,597
Services and other	2,790	2,166	7,686	6,153
Total revenues	25,182	23,350	71,983	71,606
<b>Cost of revenues</b>				
Automotive sales	15,743	15,656	45,602	47,919
Automotive leasing	247	301	761	972
Total automotive cost of revenues	15,990	15,957	46,363	48,891
Energy generation and storage	1,651	1,178	5,157	3,770
Services and other	2,544	2,037	7,192	5,723
Total cost of revenues	20,185	19,172	58,712	58,384
<b>Gross profit</b>	4,997	4,178	13,271	13,222
<b>Operating expenses</b>				
Research and development	1,039	1,161	3,264	2,875
Selling, general and administrative	1,186	1,253	3,837	3,520
Restructuring and other	55	—	677	—
Total operating expenses	2,280	2,414	7,778	6,395
<b>Income from operations</b>	2,717	1,764	5,493	6,827
Interest income	429	282	1,127	733
Interest expense	(92)	(38)	(254)	(95)
Other (expense) income, net	(270)	37	(142)	317
<b>Income before income taxes</b>	2,784	2,045	6,224	7,782
Provision for income taxes	601	167	1,403	751
<b>Net income</b>	2,183	1,878	4,821	7,031
Net income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries	16	25	47	(38)
<b>Net income attributable to common stockholders</b>	\$ 2,167	\$ 1,853	\$ 4,774	\$ 7,069
Net income per share of common stock attributable to common stockholders				
Basic	\$ 0.68	\$ 0.58	\$ 1.51	\$ 2.23
Diluted	\$ 0.62	\$ 0.53	\$ 1.38	\$ 2.03
Weighted average shares used in computing net income per share of common stock				
Basic	3,198	3,176	3,192	3,171
Diluted	3,497	3,493	3,489	3,481

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Comprehensive Income**  
**(in millions)**  
**(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income	\$ 2,183	\$ 1,878	\$ 4,821	\$ 7,031
Other comprehensive income (loss):				
Foreign currency translation adjustment	445	(289)	121	(343)
Unrealized net gain on investments, net of tax	8	7	8	8
Net loss realized and included in net income	—	—	—	4
Comprehensive income	2,636	1,596	4,950	6,700
Less: Comprehensive income (loss) attributable to noncontrolling interests and redeemable noncontrolling interests in subsidiaries	16	25	47	(38)
Comprehensive income attributable to common stockholders	\$ 2,620	\$ 1,571	\$ 4,903	\$ 6,738

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Redeemable Noncontrolling Interests and Equity**  
(in millions)  
(unaudited)

<u>Three Months Ended September 30, 2024</u>	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
		Shares	Amount						
<b>Balance as of June 30, 2024</b>	\$ 72	3,194	\$ 3	\$ 36,443	\$ (467)	\$ 30,489	\$ 66,468	\$ 723	\$ 67,191
Settlement of warrants	—	9	—	—	—	—	—	—	—
Issuance of common stock for equity incentive awards	—	4	—	340	—	—	340	—	340
Stock-based compensation	—	—	—	503	—	—	503	—	503
Distributions to noncontrolling interests	(3)	—	—	—	—	—	—	(29)	(29)
Net income	1	—	—	—	—	2,167	2,167	15	2,182
Other comprehensive income	—	—	—	—	453	—	453	—	453
<b>Balance as of September 30, 2024</b>	\$ 70	3,207	\$ 3	\$ 37,286	\$ (14)	\$ 32,656	\$ 69,931	\$ 709	\$ 70,640

<u>Nine Months Ended September 30, 2024</u>	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
		Shares	Amount						
<b>Balance as of December 31, 2023</b>	\$ 242	3,185	\$ 3	\$ 34,892	\$ (143)	\$ 27,882	\$ 62,634	\$ 733	\$ 63,367
Settlement of warrants	—	9	—	—	—	—	—	—	—
Issuance of common stock for equity incentive awards	—	13	—	787	—	—	787	—	787
Stock-based compensation	—	—	—	1,565	—	—	1,565	—	1,565
Distributions to noncontrolling interests	(11)	—	—	—	—	—	—	(66)	(66)
Buy-outs of noncontrolling interests	(166)	—	—	42	—	—	42	—	42
Net income	5	—	—	—	—	4,774	4,774	42	4,816
Other comprehensive income	—	—	—	—	129	—	129	—	129
<b>Balance as of September 30, 2024</b>	\$ 70	3,207	\$ 3	\$ 37,286	\$ (14)	\$ 32,656	\$ 69,931	\$ 709	\$ 70,640

<u>Three Months Ended September 30, 2023</u>	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
		Shares	Amount						
<b>Balance as of June 30, 2023</b>	\$ 288	3,174	\$ 3	\$ 33,436	\$ (410)	\$ 18,101	\$ 51,130	\$ 764	\$ 51,894
Issuance of common stock for equity incentive awards	—	5	—	254	—	—	254	—	254
Stock-based compensation	—	—	—	513	—	—	513	—	513
Distributions to noncontrolling interests	(10)	—	—	—	—	—	—	(33)	(33)
Buy-outs of noncontrolling interests	(5)	—	—	(2)	—	—	(2)	—	(2)
Net income	4	—	—	—	—	1,853	1,853	21	1,874
Other comprehensive loss	—	—	—	—	(282)	—	(282)	—	(282)
<b>Balance as of September 30, 2023</b>	<b>\$ 277</b>	<b>3,179</b>	<b>\$ 3</b>	<b>\$ 34,201</b>	<b>\$ (692)</b>	<b>\$ 19,954</b>	<b>\$ 53,466</b>	<b>\$ 752</b>	<b>\$ 54,218</b>

<u>Nine Months Ended September 30, 2023</u>	Redeemable Noncontrolling Interests	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Noncontrolling Interests in Subsidiaries	Total Equity
		Shares	Amount						
<b>Balance as of December 31, 2022</b>	\$ 409	3,164	\$ 3	\$ 32,177	\$ (361)	\$ 12,885	\$ 44,704	\$ 785	\$ 45,489
Issuance of common stock for equity incentive awards	—	15	—	548	—	—	548	—	548
Stock-based compensation	—	—	—	1,473	—	—	1,473	—	1,473
Distributions to noncontrolling interests	(24)	—	—	—	—	—	—	(83)	(83)
Buy-outs of noncontrolling interests	(8)	—	—	3	—	—	3	(12)	(9)
Net (loss) income	(100)	—	—	—	—	7,069	7,069	62	7,131
Other comprehensive loss	—	—	—	—	(331)	—	(331)	—	(331)
<b>Balance as of September 30, 2023</b>	<b>\$ 277</b>	<b>3,179</b>	<b>\$ 3</b>	<b>\$ 34,201</b>	<b>\$ (692)</b>	<b>\$ 19,954</b>	<b>\$ 53,466</b>	<b>\$ 752</b>	<b>\$ 54,218</b>

The accompanying notes are an integral part of these consolidated financial statements.

**Tesla, Inc.**  
**Consolidated Statements of Cash Flows**  
(in millions)  
(unaudited)

	Nine Months Ended September 30,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 4,821	\$ 7,031
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and impairment	3,872	3,435
Stock-based compensation	1,420	1,328
Inventory and purchase commitments write-downs	247	361
Foreign currency transaction net unrealized loss (gain)	197	(317)
Deferred income taxes	418	(316)
Non-cash interest and other operating activities	83	94
Changes in operating assets and liabilities:		
Accounts receivable	144	377
Inventory	(1,107)	(1,953)
Operating lease vehicles	(82)	(1,858)
Prepaid expenses and other assets	(2,639)	(1,992)
Accounts payable, accrued and other liabilities	2,504	1,922
Deferred revenue	231	774
Net cash provided by operating activities	<u>10,109</u>	<u>8,886</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment excluding finance leases, net of sales	(8,556)	(6,592)
Purchases of solar energy systems, net of sales	(6)	—
Purchases of investments	(20,797)	(13,221)
Proceeds from maturities of investments	17,975	8,959
Proceeds from sales of investments	200	138
Business combinations, net of cash acquired	—	(64)
Net cash used in investing activities	<u>(11,184)</u>	<u>(10,780)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issuances of debt	4,360	2,526
Repayments of debt	(1,783)	(887)
Proceeds from exercises of stock options and other stock issuances	788	548
Principal payments on finance leases	(291)	(340)
Debt issuance costs	(6)	(23)
Distributions paid to noncontrolling interests in subsidiaries	(76)	(105)
Payments for buy-outs of noncontrolling interests in subsidiaries	(124)	(17)
Net cash provided by financing activities	<u>2,868</u>	<u>1,702</u>
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(8)	(142)
Net increase (decrease) in cash and cash equivalents and restricted cash	1,785	(334)
Cash and cash equivalents and restricted cash, beginning of period	17,189	16,924
Cash and cash equivalents and restricted cash, end of period	<u>\$ 18,974</u>	<u>\$ 16,590</u>
<b>Supplemental Non-Cash Investing and Financing Activities</b>		
Acquisitions of property and equipment included in liabilities	\$ 2,727	\$ 1,717
Leased assets obtained in exchange for finance lease liabilities	\$ 32	\$ 1
Leased assets obtained in exchange for operating lease liabilities	\$ 1,232	\$ 1,548

The accompanying notes are an integral part of these consolidated financial statements.



**Tesla, Inc.**  
**Notes to Consolidated Financial Statements**  
**(unaudited)**

**Note 1 – Overview & Summary of Significant Accounting Policies**

*Overview*

Tesla, Inc. (“Tesla”, the “Company”, “we”, “us” or “our”) was incorporated in the State of Delaware on July 1, 2003 and converted to a Texas corporation on June 13, 2024.

*Unaudited Interim Financial Statements*

The consolidated financial statements, including the consolidated balance sheet as of September 30, 2024, the consolidated statements of operations, the consolidated statements of comprehensive income, the consolidated statements of redeemable noncontrolling interests and equity for the three and nine months ended September 30, 2024 and 2023, and the consolidated statements of cash flows for the nine months ended September 30, 2024 and 2023, as well as other information disclosed in the accompanying notes, are unaudited. The consolidated balance sheet as of December 31, 2023 was derived from the audited consolidated financial statements as of that date. The interim consolidated financial statements and the accompanying notes should be read in conjunction with the annual consolidated financial statements and the accompanying notes contained in our Annual Report on Form 10-K for the year ended December 31, 2023.

The interim consolidated financial statements and the accompanying notes have been prepared on the same basis as the annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the results of operations for the periods presented. The consolidated results of operations for any interim period are not necessarily indicative of the results to be expected for the full year or for any other future years or interim periods.

*Reclassifications*

Certain prior period balances have been reclassified to conform to the current period presentation in the consolidated financial statements and the accompanying notes.

*Revenue Recognition*

*Revenue by source*

The following table disaggregates our revenue by major source (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Automotive sales	\$ 18,831	\$ 18,582	\$ 53,821	\$ 57,879
Automotive regulatory credits	739	554	2,071	1,357
Energy generation and storage sales	2,228	1,416	6,616	4,188
Services and other	2,790	2,166	7,686	6,153
Total revenues from sales and services	24,588	22,718	70,194	69,577
Automotive leasing	446	489	1,380	1,620
Energy generation and storage leasing	148	143	409	409
Total revenues	\$ 25,182	\$ 23,350	\$ 71,983	\$ 71,606

*Automotive Segment*

Automotive Sales

Deferred revenue related to the access to our Full Self Driving (Supervised) (“FSD”) Capability features and their ongoing maintenance, internet connectivity, free Supercharging programs and over-the-air software updates primarily on automotive sales amounted to \$3.61 billion and \$3.54 billion as of September 30, 2024 and December 31, 2023, respectively.

Deferred revenue is equivalent to the total transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, as of the balance sheet date. Revenue recognized from the deferred revenue balances as of December 31, 2023 and 2022 was \$711 million and \$360 million for the nine months ended September 30, 2024 and 2023, respectively. Of the total deferred revenue balance as of September 30, 2024, we expect to recognize \$821 million of revenue in the next 12 months. The remaining balance will be recognized at the time of transfer of control of the product or over the performance period.

We have financing receivables on our consolidated balance sheets related to loans we provide for financing our automotive deliveries. As of September 30, 2024 and December 31, 2023, we had current net financing receivables of \$245 million and \$242 million, respectively, in Accounts receivable, net, and \$868 million and \$1.04 billion, respectively, in Other non-current assets for the long-term portion.

We offer resale value guarantees to our commercial banking partners in connection with certain vehicle leasing programs. Under these programs, we originate the lease with our end customer and immediately transfer the lease and the underlying vehicle to our commercial banking partner, with the transaction being accounted for as a sale under ASC 606, *Revenue from Contracts with Customers*. We estimate a guarantee liability in accordance with ASC 460, *Guarantees* and record it within other liabilities on our consolidated balance sheet. On a quarterly basis, we assess the estimated market value of vehicles sold under this program to determine whether there have been changes to the amount of expected resale value guarantee liabilities. The total recorded guarantee liabilities on vehicles sold under this program were immaterial as of September 30, 2024 and December 31, 2023. Our maximum exposure on the guarantees we provide if they are unable to sell the vehicle at or above the vehicle's contractual residual value at the end of the lease term was \$1.04 billion and \$166 million as of September 30, 2024 and December 31, 2023, respectively.

#### Automotive Regulatory Credits

As of September 30, 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 \$4.72 billion. Of this amount, we expect to recognize \$683 million in the next 12 months and the rest over the remaining performance obligation period. Additionally, changes in regulations on automotive regulatory credits may significantly impact our remaining performance obligations and revenue to be recognized under these contracts.

#### Automotive Leasing Revenue

##### Direct Sales-Type Leasing Program

Lease receivables relating to sales-type leases are presented on the consolidated balance sheets as follows (in millions):

	September 30, 2024	December 31, 2023
Gross lease receivables	\$ 584	\$ 780
Unearned interest income	(48)	(78)
Allowance for expected credit losses	(7)	(6)
Net investment in sales-type leases	<u>\$ 529</u>	<u>\$ 696</u>
<b>Reported as:</b>		
Prepaid expenses and other current assets	\$ 171	\$ 189
Other non-current assets	358	507
Net investment in sales-type leases	<u>\$ 529</u>	<u>\$ 696</u>

*Energy Generation and Storage Segment*Energy Generation and Storage Sales

We record as deferred revenue any non-refundable amounts that are collected from customers related to prepayments, which is recognized as revenue ratably over the respective customer contract term. As of September 30, 2024 and December 31, 2023, deferred revenue related to such customer payments amounted to \$1.73 billion and \$1.60 billion, respectively, mainly due to contractual payment terms. Revenue recognized from the deferred revenue balances as of December 31, 2023 and 2022 was \$1.09 billion and \$511 million for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 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 \$6.61 billion. Of this amount, we expect to recognize \$4.23 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 September 30, 2024 and December 31, 2023, we had current net financing receivables of \$32 million and \$31 million, respectively, in Accounts receivable, net, and \$641 million and \$578 million, respectively, in Other non-current assets for the long-term portion.

*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 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.

Our provision for or benefit from income taxes for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items, if any, that are taken into account in the relevant period. Each quarter, we update our estimate of the annual effective tax rate, and if our estimated tax rate changes, we make a cumulative adjustment.

*Net Income per Share of Common Stock Attributable to Common Stockholders*

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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income attributable to common stockholders	\$ 2,167	\$ 1,853	\$ 4,774	\$ 7,069
Less: Buy-outs of noncontrolling interest	—	2	(42)	(3)
Net income used in computing basic and diluted net income per share of common stock	\$ 2,167	\$ 1,851	\$ 4,816	\$ 7,072

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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Weighted average shares used in computing net income per share of common stock, basic	3,198	3,176	3,192	3,171
Add:				
Stock-based awards	290	304	286	297
Convertible senior notes	—	2	1	2
Warrants	9	11	10	11
Weighted average shares used in computing net income per share of common stock, diluted	3,497	3,493	3,489	3,481

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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Stock-based awards	15	13	18	12

#### *Restricted Cash*

Our total cash and cash equivalents and restricted cash, as presented in the consolidated statements of cash flows, was as follows (in millions):

	September 30, 2024	December 31, 2023	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 18,111	\$ 16,398	\$ 15,932	\$ 16,253
Restricted cash included in prepaid expenses and other current assets	483	543	453	294
Restricted cash included in other non-current assets	380	248	205	377
Total as presented in the consolidated statements of cash flows	\$ 18,974	\$ 17,189	\$ 16,590	\$ 16,924

#### *Accounts Receivable and Allowance for Doubtful Accounts*

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 September 30, 2024 and December 31, 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*

As of September 30, 2024 and December 31, 2023, the vast majority of our financing receivables were at current status with an immaterial balance being past due. As of September 30, 2024 and December 31, 2023, the majority of our financing receivables, excluding MyPower notes receivable, were originated in 2023 and 2022.

As of September 30, 2024 and December 31, 2023, the total outstanding balance of MyPower customer notes receivable, net of allowance for expected credit losses, was \$250 million and \$266 million, respectively, of which \$5 million was due in the next 12 months. As of September 30, 2024 and December 31, 2023, the allowance for expected credit losses was \$36 million.

### *Concentration of Risk*

#### *Credit Risk*

Financial instruments that potentially subject us to a 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 September 30, 2024 and December 31, 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.

### *Warranties*

Accrued warranty activity consisted of the following (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Accrued warranty - beginning of period	\$ 5,795	\$ 4,465	\$ 5,152	\$ 3,505
Warranty costs incurred	(380)	(335)	(1,048)	(911)
Net changes in liability for pre-existing warranties, including expirations and foreign exchange impact	231	15	295	426
Provision for warranty	717	577	1,964	1,702
Accrued warranty - end of period	\$ 6,363	\$ 4,722	\$ 6,363	\$ 4,722

### *Recent Accounting Pronouncements*

#### *Recently issued accounting pronouncements not yet adopted*

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, Improvements to Reportable Segment Disclosures (Topic 280). This ASU updates reportable segment disclosure requirements by requiring disclosures of significant reportable segment expenses that are regularly provided to the Chief Operating Decision Maker (“CODM”) and included within each reported measure of a segment’s profit or loss. This ASU also requires disclosure of the title and position of the individual identified as the CODM and an explanation of how the CODM uses the reported measures of a segment’s profit or loss in assessing segment performance and deciding how to allocate resources. The ASU is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. Early adoption is also permitted. This ASU will likely result in us including the additional required disclosures when adopted. We are currently evaluating the provisions of this ASU and expect to adopt them for the year ending December 31, 2024.

In December 2023, the FASB issued ASU No. 2023-08, Accounting for and Disclosure of Crypto Assets (Subtopic 350-60). This ASU requires certain crypto assets to be measured at fair value separately on the balance sheet with changes reported in the statement of operations each reporting period. This ASU also enhances the other intangible asset disclosure requirements by requiring the name, cost basis, fair value, and number of units for each significant crypto asset holding. The ASU is effective for annual periods beginning after December 15, 2024, including interim periods within those fiscal years. Adoption of the ASU requires a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the annual reporting period in which an entity adopts the amendments. Early adoption is also permitted, including adoption in an interim period. However, if the ASU is early adopted in an interim period, an entity must adopt the ASU as of the beginning of the fiscal year that includes the interim period. This ASU will result in gains and losses recorded in the consolidated financial statements and additional disclosures when adopted. We are currently evaluating the adoption of this ASU and it could materially affect the carrying value of our crypto assets held and the gains and losses relating thereto, depending on the fair value at adoption.

In December 2023, the FASB issued ASU 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.

## Note 2 – Fair Value of Financial Instruments

ASC 820, *Fair Value Measurements* ("ASC 820") 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):

	September 30, 2024				December 31, 2023			
	Fair Value	Level I	Level II	Level III	Fair Value	Level I	Level II	Level III
Certificates of deposit and time deposits	\$ 10,329	\$ —	\$ 10,329	\$ —	\$ 6,996	\$ —	\$ 6,996	\$ —
Commercial paper	4,162	—	4,162	—	470	—	470	—
U.S. government securities	3,393	—	3,393	—	5,136	—	5,136	—
Corporate debt securities	196	—	196	—	480	—	480	—
Money market funds	1,784	1,784	—	—	109	109	—	—
Total	\$ 19,864	\$ 1,784	\$ 18,080	\$ —	\$ 13,191	\$ 109	\$ 13,082	\$ —

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 U.S. government securities, certificates of deposit, commercial paper, time deposits and corporate debt 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 cash, cash equivalents and investments classified by security type as of September 30, 2024 and December 31, 2023 consisted of the following (in millions):

	September 30, 2024					
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-Term Investments
Cash	\$ 13,784	\$ —	\$ —	\$ 13,784	\$ 13,784	\$ —
Certificates of deposit and time deposits	10,327	2	—	10,329	600	9,729
Commercial paper	4,160	3	(1)	4,162	945	3,217
U.S. government securities	3,391	3	(1)	3,393	998	2,395
Corporate debt securities	195	1	—	196	—	196
Money market funds	1,784	—	—	1,784	1,784	—
<b>Total cash, cash equivalents and short-term investments</b>	<b>\$ 33,641</b>	<b>\$ 9</b>	<b>\$ (2)</b>	<b>\$ 33,648</b>	<b>\$ 18,111</b>	<b>\$ 15,537</b>

	December 31, 2023					
	Adjusted Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cash and Cash Equivalents	Short-Term Investments
Cash	\$ 15,903	\$ —	\$ —	\$ 15,903	\$ 15,903	\$ —
Certificates of deposit and time deposits	6,995	1	—	6,996	—	6,996
U.S. government securities	5,136	1	(1)	5,136	277	4,859
Corporate debt securities	485	1	(6)	480	—	480
Commercial paper	470	—	—	470	109	361
Money market funds	109	—	—	109	109	—
<b>Total cash, cash equivalents and short-term investments</b>	<b>\$ 29,098</b>	<b>\$ 3</b>	<b>\$ (7)</b>	<b>\$ 29,094</b>	<b>\$ 16,398</b>	<b>\$ 12,696</b>

The following table summarizes the fair value of our investments by stated contractual maturities as of September 30, 2024 (in millions):

Due in 1 year or less	\$ 15,336
Due in 1 year through 5 years	201
<b>Total</b>	<b>\$ 15,537</b>

#### Disclosure of Fair Values

Our financial instruments that are not re-measured at fair value include accounts receivable, financing receivables, other receivables, digital assets, accounts payable, accrued liabilities, customer deposits and debt. The carrying values of these financial instruments materially approximate their fair values, other than our 2.00% Convertible Senior Notes due in 2024 (“2024 Notes”), which matured in the second quarter of 2024, and digital assets.

We estimated the fair value of the 2024 Notes using commonly accepted valuation methodologies and market-based risk measurements that are indirectly observable, such as credit risk (Level II). In addition, we estimate the fair values of our digital assets based on quoted prices in active markets (Level I). The following table presents the estimated fair values and the carrying values (in millions):

	September 30, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2024 Notes	\$ —	\$ —	\$ 37	\$ 443
Digital assets, net	\$ 184	\$ 729	\$ 184	\$ 487

**Note 3 – Inventory**

Our inventory consisted of the following (in millions):

	September 30, 2024	December 31, 2023
Raw materials	\$ 5,555	\$ 5,390
Work in process	1,791	2,016
Finished goods (1)	5,950	5,049
Service parts	1,234	1,171
<b>Total</b>	<b>\$ 14,530</b>	<b>\$ 13,626</b>

(1) Finished goods inventory includes products-in-transit to fulfill customer orders, new vehicles, used vehicles and energy products available for sale.

We write-down inventory for any excess or obsolete inventory or when we believe that the net realizable value of inventory is less than the carrying value. During the three and nine months ended September 30, 2024, we recorded write-downs of \$46 million and \$114 million, respectively, in Cost of revenues in the consolidated statements of operations. During the three and nine months ended September 30, 2023, we recorded write-downs of \$43 million and \$148 million, respectively, in Cost of revenues in the consolidated statements of operations.

**Note 4 – Property, Plant and Equipment, Net**

Our property, plant and equipment, net, consisted of the following (in millions):

	September 30, 2024	December 31, 2023
Machinery, equipment, vehicles and office furniture	\$ 18,227	\$ 16,309
Land and buildings	10,680	9,498
Leasehold improvements	3,584	3,136
Tooling	3,782	3,129
Computer equipment, hardware and software	2,818	2,409
AI infrastructure	3,693	1,510
Construction in progress	8,026	5,791
	50,810	41,782
Less: Accumulated depreciation	(14,694)	(12,057)
<b>Total</b>	<b>\$ 36,116</b>	<b>\$ 29,725</b>

Construction in progress is primarily comprised of ongoing construction and expansion of our facilities, equipment and tooling related to the manufacturing of our products as well as AI-related assets which have not yet been placed in service.

Depreciation expense during the three and nine months ended September 30, 2024 was \$1.05 billion and \$2.96 billion, respectively. Depreciation expense during the three and nine months ended September 30, 2023 was \$897 million and \$2.44 billion, respectively.



**Note 5 – Accrued Liabilities and Other**

Our accrued liabilities and other current liabilities consisted of the following (in millions):

	September 30, 2024	December 31, 2023
Accrued purchases (1)	\$ 2,424	\$ 2,721
Accrued warranty reserve, current portion	1,839	1,546
Payroll and related costs	1,513	1,325
Taxes payable (2)	1,265	1,204
Customer deposits	994	876
Operating lease liabilities, current portion	797	672
Sales return reserve, current portion	226	219
Other current liabilities	1,543	517
<b>Total</b>	<b>\$ 10,601</b>	<b>\$ 9,080</b>

- (1) Accrued purchases primarily reflects receipts of goods and services for which we had not yet been invoiced. As we are invoiced for these goods and services, this balance will reduce and accounts payable will increase.
- (2) Taxes payable primarily includes value added tax, income tax, sales tax, property tax and use tax payables.

**Note 6 – Other Long-Term Liabilities**

Our other long-term liabilities consisted of the following (in millions):

	September 30, 2024	December 31, 2023
Operating lease liabilities	\$ 4,290	\$ 3,671
Accrued warranty reserve	4,524	3,606
Other non-current liabilities	996	876
<b>Total other long-term liabilities</b>	<b>\$ 9,810</b>	<b>\$ 8,153</b>

**Note 7 – Debt**

The following is a summary of our debt and finance leases as of September 30, 2024 (in millions):

	Net Carrying Value		Unpaid Principal Balance	Unused Committed Amount (1)	Contractual Interest Rates	Contractual Maturity Date
	Current	Long-Term				
<b>Recourse debt:</b>						
RCF Credit Agreement	\$ —	\$ —	\$ —	\$ 5,000	Not applicable	January 2028
Other	8	3	11	—	3.96-5.75%	March 2025-January 2031
<b>Total recourse debt</b>	<b>8</b>	<b>3</b>	<b>11</b>	<b>5,000</b>		
<b>Non-recourse debt:</b>						
Automotive Asset-backed Notes	2,073	2,107	4,195	—	3.95-6.57%	August 2025-June 2035
China Working Capital Facility	—	2,851	2,851	—	2.27 %	April 2025 (2)
Cash Equity Debt	30	309	348	—	5.25-5.81%	July 2033-January 2035
Solar Asset-backed Notes	4	5	10	—	4.80 %	December 2026
<b>Total non-recourse debt</b>	<b>2,107</b>	<b>5,272</b>	<b>7,404</b>	<b>—</b>		
<b>Total debt</b>	<b>2,115</b>	<b>5,275</b>	<b>\$ 7,415</b>	<b>\$ 5,000</b>		
Finance leases	176	130				
<b>Total debt and finance leases</b>	<b>\$ 2,291</b>	<b>\$ 5,405</b>				

The following is a summary of our debt and finance leases as of December 31, 2023 (in millions):

	Net Carrying Value		Unpaid Principal Balance	Unused Committed Amount (1)	Contractual Interest Rates	Contractual Maturity Date
	Current	Long-Term				
<b>Recourse debt:</b>						
2024 Notes	\$ 37	\$ —	\$ 37	\$ —	2.00 %	May 2024
RCF Credit Agreement	—	—	—	5,000	Not applicable	January 2028
Other	—	7	7	28	4.70-5.75%	March 2025-January 2031
<b>Total recourse debt</b>	<b>37</b>	<b>7</b>	<b>44</b>	<b>5,028</b>		
<b>Non-recourse debt:</b>						
Automotive Asset-backed Notes	1,906	2,337	4,259	—	0.60-6.57%	July 2024-May 2031
Cash Equity Debt	28	330	367	—	5.25-5.81%	July 2033-January 2035
Solar Asset-backed Notes	4	8	13	—	4.80 %	December 2026
<b>Total non-recourse debt</b>	<b>1,938</b>	<b>2,675</b>	<b>4,639</b>	<b>—</b>		
<b>Total debt</b>	<b>1,975</b>	<b>2,682</b>	<b>\$ 4,683</b>	<b>\$ 5,028</b>		
Finance leases	398	175				
<b>Total debt and finance leases</b>	<b>\$ 2,373</b>	<b>\$ 2,857</b>				

- (1) There are no restrictions on draw-down or use for general corporate purposes with respect to any available committed funds under our RCF Credit Agreement, except certain specified conditions prior to draw-down. Refer to the notes to the consolidated financial statements included in our reporting on Form 10-K for the year ended December 31, 2023 for the terms of the facility.
- (2) The contractual maturity date of the China Working Capital Facility is April 2025, renewable until March 2026 at our discretion. As we have the intent and ability to refinance the loan on a long-term basis, we recorded it in Debt and finance leases, net of current portion in the consolidated balance sheet.

Recourse debt refers to debt that is recourse to our general assets. Non-recourse debt refers to debt that is recourse to only assets of our subsidiaries. The differences between the unpaid principal balances and the net carrying values are due to debt discounts or deferred issuance costs. As of September 30, 2024, we were in material compliance with all financial debt covenants.

#### 2024 Notes

During the second quarter of 2024, the 2024 Notes reached maturity and were fully settled. Additionally, during the third quarter of 2024, we settled the warrants entered into in connection with the issuance of the 2024 Notes, resulting in the issuance of 8.5 million shares of our common stock. The remaining warrants were settled in October 2024.

#### Automotive Asset-backed Notes

During the nine months ended September 30, 2024, we transferred beneficial interests related to certain leased vehicles and financing receivables into special purpose entities and issued \$1.57 billion in aggregate principal amount of Automotive Asset-backed Notes, with terms similar to our other previously issued Automotive Asset-backed Notes. The proceeds from the issuance, net of debt issuance costs, were \$1.56 billion.

In October 2024, we transferred beneficial interests related to certain leased vehicles into a special purpose entity and issued \$783 million in aggregate principal amount of Automotive Asset-backed Notes, with terms similar to our other previously issued Automotive-backed Notes.

#### China Working Capital Facility

In April 2024, one of our subsidiaries entered into a loan agreement (the “China Working Capital Facility”) with lenders in China for an unsecured revolving facility of up to RMB 20.00 billion to be used for certain production expenditures as well as repayment of certain finance facilities. Borrowed funds bear interest at a rate equal to the Loan Prime Rate published by the People’s Bank of China minus 1.18%. The China Working Capital Facility is non-recourse to our assets.

**Note 8 – Equity Incentive Plans****Other Performance-Based Grants**

From time to time, the Compensation Committee of our Board of Directors grants certain employees performance-based restricted stock units and stock options.

As of September 30, 2024, we had unrecognized stock-based compensation expense of \$487 million under these grants to purchase or receive an aggregate 4.9 million shares of our common stock. For awards probable of achievement, we estimate the unrecognized stock-based compensation expense of \$457 million will be recognized over a weighted-average period of 4.3 years.

For the three and nine months ended September 30, 2024 and 2023, stock-based compensation expense related to these grants, net of forfeitures, were immaterial.

**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):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenues	\$ 184	\$ 181	\$ 566	\$ 554
Research and development	191	189	572	491
Selling, general and administrative	82	95	280	283
Restructuring and other	—	—	2	—
<b>Total</b>	<b>\$ 457</b>	<b>\$ 465</b>	<b>\$ 1,420</b>	<b>\$ 1,328</b>

**Note 9 – Income Taxes**

Our effective tax rate was 22% and 23% for the three and nine months ended September 30, 2024, respectively, compared to 8% and 10% for the three and nine months ended September 30, 2023, respectively. The increase in our effective tax rate is primarily due to the impact of releasing the valuation allowance on our U.S. deferred tax assets in the fourth quarter of 2023 and changes in the mix of our jurisdictional earnings.

Our effective tax rates for the three and nine months of 2024 and 2023 as compared to the U.S. federal statutory rate of 21% were primarily impacted by the mix of our jurisdictional earnings subject to different tax rates, valuation allowances on our deferred tax assets and benefits from our U.S. tax credits and the Inflation Reduction Act of 2022 (“IRA”) manufacturing credits.

We are subject to tax examinations in the U.S. federal, 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.

**Note 10 – Commitments and Contingencies*****Operating Lease Arrangements in Buffalo, New York and Shanghai, China***

For a description of our operating lease arrangements in Buffalo, New York, and Shanghai, China, refer to Note 15, *Commitments and Contingencies*, in our Annual Report on Form 10-K for the year ended December 31, 2023. As of September 30, 2024, we expect to meet the requirements under these arrangements, as may be modified from time to time, based on our current and anticipated level of operations.

## ***Legal Proceedings***

### *Litigation Relating to 2018 CEO Performance Award*

On 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 "2018 CEO Performance Award"). 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. Plaintiff'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 on June 7, 2024, and a hearing was held on July 8, 2024. At Tesla's 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. On June 28, 2024, because Tesla's 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 Court's January 30, 2024 opinion, and a hearing was held on August 2, 2024.

### *Litigation Related to Directors' Compensation*

On 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's current and former directors regarding compensation awards granted to Tesla's 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. If the settlement is approved by the Court, this action will be fully settled and dismissed with prejudice. 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 counsels' fee request under advisement. On August 14, 2024, the parties submitted a joint letter requesting that the Court approve and enter final judgment with respect to the settlement, and decide the fee request at a later date. 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 Transaction*

Between August 10, 2018 and September 6, 2018, nine purported stockholder class actions were filed against Tesla and Elon Musk in connection with Mr. Musk'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's 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 July 14, 2023, plaintiffs filed a notice of appeal. The appeal, which is pending in the United States Court of Appeals for the Ninth Circuit, has been fully briefed by the parties, and is scheduled for oral argument on October 25, 2024.

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's 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 pending resolution of the appeal in the above-referenced consolidated purported stockholder class action.

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 Company's 2018 settlement with the SEC, as amended. Among other things, the plaintiff seeks reforms to the Company's corporate governance and internal procedures, unspecified damages, and attorneys' 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 ("JP Morgan") 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. In 2018, JP Morgan informed Tesla that it had adjusted the strike price based upon Mr. Musk's August 7, 2018 Twitter post that he was considering taking Tesla private. Tesla disputed JP Morgan's adjustment as a violation of the parties' agreement. In 2021, Tesla delivered shares to JP Morgan per the agreement, which they duly accepted. JP Morgan now alleges that it is owed approximately \$162 million as the value of additional shares that it claims should have been delivered as a result of the adjustment to the strike price in 2018. On January 24, 2022, Tesla filed multiple counterclaims as part of its answer to the underlying lawsuit, asserting among other points that JP Morgan should have terminated the stock warrant agreement in 2018 rather than make an adjustment to the strike price that it should have known would lead to a commercially unreasonable result. Tesla believes that the adjustments made by JP Morgan were neither proper nor commercially reasonable, as required under the stock warrant agreements. JP Morgan filed a motion for judgment on the pleadings, which Tesla opposed, and on September 12, 2024, the Court denied JP Morgan's motion.

#### *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 involving 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, and a hearing on that motion is scheduled for November 18, 2024.

#### *Litigation and Investigations Relating to Alleged Discrimination and Harassment*

On February 9, 2022, the California Civil Rights Department ("CRD," formerly "DFEH") 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. CRD'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 ("EEOC") issued a cause finding against Tesla that closely parallels the CRD'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's 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 attorneys' 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.

*Other Litigation Related to Our Products and Services*

We 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 Company'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 plaintiff'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. 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 "Full Self-Driving Capability" (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's 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's 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 Company'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's motion to dismiss without prejudice.

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's motion to compel arbitration as to three of the plaintiffs, and on November 17, 2023, the court granted Tesla's 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 court's arbitration order, which was denied. On June 17, 2024, the Court granted in part and denied in part Tesla's 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.

### *Certain Investigations and Other Matters*

We 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 (“SEC”), the Department of Justice (“DOJ”), 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’s 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.

### **Note 11 – Variable Interest Entity Arrangements**

The aggregate carrying values of the variable interest entities’ assets and liabilities, after elimination of any intercompany transactions and balances, in the consolidated balance sheets were as follows (in millions):

	September 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 51	\$ 66
Accounts receivable, net	28	13
Prepaid expenses and other current assets	263	361
Total current assets	342	440
Operating lease vehicles, net	451	—
Solar energy systems, net	2,524	3,278
Other non-current assets	190	369
Total assets	\$ 3,507	\$ 4,087
<b>Liabilities</b>		
Current liabilities		
Accrued liabilities and other	\$ 36	\$ 67
Deferred revenue	7	6
Current portion of debt and finance leases	1,930	1,564
Total current liabilities	1,973	1,637
Deferred revenue, net of current portion	81	99
Debt and finance leases, net of current portion	1,826	2,041
Total liabilities	\$ 3,880	\$ 3,777

**Note 12 – Segment Reporting and Information about Geographic Areas**

We have two operating and reportable segments: (i) automotive and (ii) energy generation and storage. The following table presents revenues and gross profit by reportable segment (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Automotive segment</b>				
Revenues	\$ 22,806	\$ 21,791	\$ 64,958	\$ 67,009
Gross profit	\$ 4,272	\$ 3,797	\$ 11,403	\$ 12,395
<b>Energy generation and storage segment</b>				
Revenues	\$ 2,376	\$ 1,559	\$ 7,025	\$ 4,597
Gross profit	\$ 725	\$ 381	\$ 1,868	\$ 827

The following table presents revenues by geographic area based on the sales location of our products (in millions):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
United States	\$ 12,584	\$ 10,893	\$ 35,602	\$ 33,472
China	5,665	5,020	14,893	15,642
Other international	6,933	7,437	21,488	22,492
Total	\$ 25,182	\$ 23,350	\$ 71,983	\$ 71,606

The following table presents long-lived assets by geographic area (in millions):

	September 30, 2024	December 31, 2023
United States	\$ 32,367	\$ 26,629
Germany	4,447	4,258
Other international	4,342	4,067
Total	\$ 41,156	\$ 34,954

The following table presents inventory by reportable segment (in millions):

	September 30, 2024	December 31, 2023
Automotive	\$ 12,266	\$ 11,139
Energy generation and storage	2,264	2,487
Total	\$ 14,530	\$ 13,626

**Note 13 – Restructuring and Other**

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 September 30, 2024.



**ITEM 2. MANAGEMENT’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 Quarterly Report on Form 10-Q.*

**Overview**

Our mission is to accelerate the world’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 1,314,000 consumer vehicles and delivered approximately 1,294,000 consumer vehicles through the third quarter. 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 capabilities, including through our planned robotaxi product, 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 20.41 GWh of energy storage products through the third quarter. We are focused on ramping the production and increasing the market penetration of our energy storage products.

During the three and nine months ended September 30, 2024, we recognized total revenues of \$25.18 billion and \$71.98 billion, respectively, representing increases of \$1.83 billion and \$377 million, respectively, compared to the same periods in the prior year. During the three and nine months ended September 30, 2024, our net income attributable to common stockholders was \$2.17 billion and \$4.77 billion, respectively, representing an increase of \$314 million and a decrease of \$2.30 billion, respectively, compared to the same periods in the prior year. 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 the third quarter of 2024 with \$33.65 billion in cash and cash equivalents and investments, representing an increase of \$4.55 billion from the end of 2023. Our cash flows provided by operating activities were \$10.11 billion during the nine months ended September 30, 2024, compared to \$8.89 billion during the same period ended September 30, 2023, representing an increase of \$1.22 billion. Capital expenditures amounted to \$8.56 billion during the nine months ended September 30, 2024, compared to \$6.59 billion during the same period ended September 30, 2023, representing an increase of \$1.96 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.

**Management Opportunities, Challenges and Uncertainties and 2024 Outlook***Automotive—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 Quarterly Report on Form 10-Q:

<b>Production Location</b>	<b>Vehicle Model(s)</b>	<b>Production Status</b>
Fremont Factory	Model S / Model X	Active
	Model 3 / Model Y	Active
Gigafactory Shanghai	Model 3 / Model Y	Active
Gigafactory Berlin-Brandenburg	Model Y	Active
Gigafactory Texas	Model Y	Active
	Cybertruck	Active
Gigafactory Nevada	Tesla Semi	Pilot production
Various	Next Generation Platform	In development
TBD	Roadster	In 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. 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.

#### *Automotive—Demand, Sales, Deliveries and Infrastructure*

Our cost reduction efforts, cost innovation strategies, and additional localized procurement and manufacturing are key to our vehicles' affordability and have allowed us to competitively price our vehicles. We will also continue to generate demand by improving our vehicles' 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. In addition, we have been increasing awareness, and expanding our vehicle financing programs, including attractive leasing terms for our customers. Moreover, we expect to continue to benefit from ongoing electrification of the automotive sector and increasing environmental regulations and initiatives.

However, 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 suppliers' 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 incentives or tariffs may also impact our 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 ("NACS") 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 Deployment*

The 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, the construction of a new Megafactory in Shanghai and the ongoing ramp at our Megafactory in 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 2024 and be between \$8.00 to \$10.00 billion 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.

### **Critical Accounting Policies and Estimates**

For a description of our critical accounting policies and estimates, refer to Part II, Item 7, *Critical Accounting Policies and Estimates* in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to our critical accounting policies and estimates since our Annual Report on Form 10-K for the year ended December 31, 2023.

### **Recent Accounting Pronouncements**

See Note 1, *Overview & Summary of Significant Accounting Policies*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

## Results of Operations

### Revenues

(Dollars in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2024	2023	\$	%	2024	2023	\$	%
Automotive sales	\$ 18,831	\$ 18,582	\$ 249	1 %	\$ 53,821	\$ 57,879	\$ (4,058)	(7)%
Automotive regulatory credits	739	554	185	33 %	2,071	1,357	714	53 %
Automotive leasing	446	489	(43)	(9)%	1,380	1,620	(240)	(15)%
Total automotive revenues	20,016	19,625	391	2 %	57,272	60,856	(3,584)	(6)%
Services and other	2,790	2,166	624	29 %	7,686	6,153	1,533	25 %
Total automotive & services and other segment revenue	22,806	21,791	1,015	5 %	64,958	67,009	(2,051)	(3)%
Energy generation and storage segment revenue	2,376	1,559	817	52 %	7,025	4,597	2,428	53 %
Total revenues	\$ 25,182	\$ 23,350	\$ 1,832	8 %	\$ 71,983	\$ 71,606	\$ 377	1 %

#### Automotive & Services and Other Segment

Automotive sales revenue increased \$249 million, or 1%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023, due to an increase of approximately 23,000 combined Model 3 and Model Y cash deliveries and an increase of 8,000 deliveries of other models primarily due to our production ramp of Cybertruck. Additionally, we recognized \$326 million of FSD revenue for Cybertruck and certain features such as Actually Smart Summon in the third quarter of 2024. The increases were partially offset by lower average selling price on our vehicles driven by overall price reductions and attractive financing options provided year over year as well as mix.

Automotive sales revenue decreased \$4.06 billion, or 7%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023, primarily due to lower average selling price on our vehicles driven by overall price reductions and attractive financing options provided year over year as well as mix. Additionally, there was a decrease of approximately 17,000 combined Model 3 and Model Y cash deliveries partially due to the early phase of the production ramp of the updated Model 3 at our Fremont factory. The decreases were partially offset by an increase of approximately 19,000 deliveries of other models primarily due to our production ramp of Cybertruck and an increase in FSD revenue compared to the prior period, as discussed above.

Automotive regulatory credits revenue increased \$185 million, or 33%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Automotive regulatory credits revenue increased \$714 million, or 53%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. These increases were driven by demand for credits in North America as other automobile manufacturers scale back on their battery electric vehicle plans.

Automotive leasing revenue decreased \$43 million, or 9%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Automotive leasing revenue decreased \$240 million, or 15%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The decreases were primarily due to lower direct sales-type leasing deliveries and a decrease in lease buyouts.

Services and other revenue increased \$624 million, or 29%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Services and other revenue increased \$1.53 billion, or 25%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The increases were primarily due to increases in non-warranty maintenance services and collision revenue, used vehicle revenue, paid Supercharging revenue, insurance services revenue and part sales revenue.

#### Energy Generation and Storage Segment

Energy generation and storage revenue increased \$817 million, or 52%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Energy generation and storage revenue increased \$2.43 billion, or 53%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The increases were primarily due to increases in Megapack and Powerwall deployments compared to the prior periods.

## Cost of Revenues and Gross Margin

(Dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
<b>Cost of revenues</b>								
Automotive sales	\$ 15,743	\$ 15,656	\$ 87	1 %	\$ 45,602	\$ 47,919	\$ (2,317)	(5)%
Automotive leasing	247	301	(54)	(18)%	761	972	(211)	(22)%
Total automotive cost of revenues	15,990	15,957	33	0 %	46,363	48,891	(2,528)	(5)%
Services and other	2,544	2,037	507	25 %	7,192	5,723	1,469	26 %
Total automotive & services and other segment cost of revenues	18,534	17,994	540	3 %	53,555	54,614	(1,059)	(2)%
Energy generation and storage segment	1,651	1,178	473	40 %	5,157	3,770	1,387	37 %
Total cost of revenues	\$ 20,185	\$ 19,172	\$ 1,013	5 %	\$ 58,712	\$ 58,384	\$ 328	1 %
<b>Gross profit total automotive</b>	\$ 4,026	\$ 3,668			\$ 10,909	\$ 11,965		
<b>Gross margin total automotive</b>	20.1 %	18.7 %			19.0 %	19.7 %		
<b>Gross profit total automotive &amp; services and other segment</b>	\$ 4,272	\$ 3,797			\$ 11,403	\$ 12,395		
<b>Gross margin total automotive &amp; services and other segment</b>	18.7 %	17.4 %			17.6 %	18.5 %		
<b>Gross profit energy generation and storage segment</b>	\$ 725	\$ 381			\$ 1,868	\$ 827		
<b>Gross margin energy generation and storage segment</b>	30.5 %	24.4 %			26.6 %	18.0 %		
<b>Total gross profit</b>	\$ 4,997	\$ 4,178			\$ 13,271	\$ 13,222		
<b>Total gross margin</b>	19.8 %	17.9 %			18.4 %	18.5 %		

### Automotive & Services and Other Segment

Cost of automotive sales revenue increased \$87 million, or 1%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 due to the increases in deliveries year over year as discussed above, partially offset by 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.

Cost of automotive sales revenue decreased \$2.32 billion, or 5%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 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 and the updated Model 3 at our Fremont factory as a result of the temporary under-utilization of manufacturing capacity as production ramps.

Cost of automotive leasing revenue decreased \$54 million, or 18%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Cost of automotive leasing revenue decreased \$211 million, or 22%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The decreases were 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 payoffs compared to the prior periods.

Cost of services and other revenue increased \$507 million, or 25%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Cost of services and other revenue increased \$1.47 billion, or 26%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The increases were primarily due to volume increases in used vehicle sales, insurance services, paid Supercharging, non-warranty maintenance services and collision and part sales.

Gross margin for total automotive increased from 18.7% to 20.1% in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 primarily due to lower average combined cost per unit of our vehicles, an increase in FSD revenue and an increase in regulatory credits revenue, partially offset by lower average selling price on our vehicles, as discussed above.

Gross margin for total automotive decreased from 19.7% to 19.0% in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 primarily due to lower average selling price on our vehicles and temporary under-utilization of manufacturing capacity during production ramps, partially offset by lower average combined cost per unit of our vehicles, an increase in regulatory credits revenue and an increase in FSD revenue, as discussed above.

Gross margin for total automotive & services and other segment increased from 17.4% to 18.7% in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Gross margin for total automotive & services and other segment decreased from 18.5% to 17.6% in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 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 increased \$473 million, or 40%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Cost of energy generation and storage revenue increased \$1.39 billion, or 37%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The increases in cost of revenues were primarily due to increases in Megapack and Powerwall deployments, partially offset by increases in IRA manufacturing credits recognized as compared to the prior periods.

Gross margin for energy generation and storage increased from 24.4% to 30.5% in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Gross margin for energy generation and storage increased from 18.0% to 26.6% in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The increases were 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*

(Dollars in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2024	2023	\$	%	2024	2023	\$	%
Research and development	\$ 1,039	\$ 1,161	\$ (122)	(11)%	\$ 3,264	\$ 2,875	\$ 389	14 %
As a percentage of revenues	4 %	5 %			5 %	4 %		

Research and development (“R&D”) expenses decreased \$122 million, or 11%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 primarily due to a decrease in vehicle programs, partially offset by an increase in AI related costs year over year. R&D expenses as a percentage of revenue decreased from 5% to 4% in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 primarily due to lower R&D expenses in the current period.

R&D expenses increased \$389 million, or 14%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 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 nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 as we continue to expand our product roadmap and technologies.

### *Selling, General and Administrative Expense*

(Dollars in millions)	Three Months Ended September 30,				Nine Months Ended September 30,			
			Change				Change	
	2024	2023	\$	%	2024	2023	\$	%
Selling, general and administrative	\$ 1,186	\$ 1,253	\$ (67)	(5)%	\$ 3,837	\$ 3,520	\$ 317	9 %
As a percentage of revenues	5 %	5 %			5 %	5 %		

Selling, general and administrative (“SG&A”) expenses decreased \$67 million, or 5%, in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 driven by a \$40 million decrease in employee and labor costs, including professional services and a \$32 million decrease in marketing expenses.

SG&A expenses increased \$317 million, or 9%, in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 driven by a \$168 million increase in employee and labor costs, including professional services, and a \$153 million increase in facilities related expenses.

### ***Restructuring and Other***

(Dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Restructuring and other	\$ 55	\$ —	\$ 55	Not meaningful	\$ 677	\$ —	\$ 677	Not meaningful

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 September 30, 2024.

### ***Interest Income***

(Dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Interest income	\$ 429	\$ 282	\$ 147	52 %	\$ 1,127	\$ 733	\$ 394	54 %

Interest income increased \$147 million, or 52%, in the three months ended September 30, 2024 and increased \$394 million, or 54%, in the nine months ended September 30, 2024 as compared to the three and nine months ended September 30, 2023, respectively. The increases were primarily due to higher interest earned on our cash and cash equivalents and short-term investments compared to the prior periods due to increases in our portfolio balance and higher interest rates.

### ***Other (Expense) Income, Net***

(Dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Other (expense) income, net	\$ (270)	\$ 37	\$ (307)	Not meaningful	\$ (142)	\$ 317	\$ (459)	Not meaningful

Other (expense) income, net, changed unfavorably by \$307 million in the three months ended September 30, 2024 as compared to the three months ended September 30, 2023. Other (expense) income, net changed unfavorably by \$459 million in the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023. The unfavorable changes were primarily due to 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 Income Taxes***

(Dollars in millions)	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2024	2023	\$	%	2024	2023	\$	%
Provision for income taxes	\$ 601	\$ 167	\$ 434	260%	\$ 1,403	\$ 751	\$ 652	87%
Effective tax rate	22 %	8 %			23 %	10 %		

Our provision for income taxes increased by \$434 million in the three months ended September 30, 2024 and increased by \$652 million in the nine months ended September 30, 2024 as compared to the three and nine months ended September 30, 2023, respectively. Our effective tax rate increased from 8% to 22% in the three months ended September 30, 2024 and increased from 10% to 23% in the nine months ended September 30, 2024 as compared to the three and nine months ended September 30, 2023, respectively. These increases are primarily due to the impact of releasing the valuation allowance on our U.S. deferred tax assets in the fourth quarter of 2023 and changes in mix of jurisdictional earnings.

See Note 9, *Income Taxes*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details.

## **Liquidity and Capital Resources**

We expect to continue to generate net positive operating cash flow as we have done in the last five fiscal years. 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 September 30, 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 I, Item 2, *Management's Discussion and Analysis of Financial Condition and Results of Operations—Management Opportunities, Challenges and Uncertainties and 2024 Outlook—Cash Flow and Capital Expenditure Trends* in this Quarterly Report on Form 10-Q, we currently expect our capital expenditures to support our projects globally to exceed \$11.00 billion in 2024 and be between \$8.00 to \$10.00 billion in each of the following two fiscal years. We also have certain obligations in connection with our operations at Gigafactory New York and Gigafactory Shanghai, as outlined in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Material Cash Requirements* in our Annual Report on Form 10-K for the year ended December 31, 2023.

As of September 30, 2024, we and our subsidiaries had outstanding \$7.42 billion in aggregate principal amount of indebtedness, of which \$2.12 billion is current. For details regarding our indebtedness, refer to Note 7, *Debt*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### *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 September 30, 2024, we had \$18.11 billion and \$15.54 billion of cash and cash equivalents and short-term investments, respectively. Balances held in foreign currencies had a U.S. dollar equivalent of \$3.32 billion and consisted primarily of Chinese yuan and euros. We had \$5.00 billion of unused committed credit amounts as of September 30, 2024. For details regarding our indebtedness, refer to Note 7, *Debt*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

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***

(Dollars in millions)	Nine Months Ended September 30,	
	2024	2023
Net cash provided by operating activities	\$ 10,109	\$ 8,886
Net cash used in investing activities	\$ (11,184)	\$ (10,780)
Net cash provided by financing activities	\$ 2,868	\$ 1,702

#### ***Cash Flows from Operating Activities***

Net cash provided by operating activities increased by \$1.22 billion to \$10.11 billion during the nine months ended September 30, 2024 from \$8.89 billion during the nine months ended September 30, 2023. This increase was primarily due to favorable changes in net operating assets and liabilities of \$1.78 billion, partially offset by a decrease in net income excluding non-cash expenses, gains and losses of \$558 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 \$8.56 billion and \$6.59 billion for the nine months ended September 30, 2024 and 2023, respectively, mainly for AI-related capital expenditures, global factory expansion, machinery and equipment as we expand and enhance our product roadmap. We also purchased \$2.62 billion and \$4.12 billion of short-term investments, net of proceeds from maturities and sales, for the nine months ended September 30, 2024 and 2023, respectively.

#### ***Cash Flows from Financing Activities***

Net cash flows from financing activities increased by \$1.17 billion to \$2.87 billion during the nine months ended September 30, 2024 from \$1.70 billion during the nine months ended September 30, 2023. The increase was primarily due to a \$1.83 billion increase in proceeds from issuances of debt, partially offset by a \$896 million increase in repayments of debt. See Note 7, *Debt*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for further details regarding our debt obligations. Additionally, there was an increase of \$240 million in proceeds from exercises of stock options and other stock issuances compared to the prior period.

### ITEM 3. 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 \$1.05 billion at September 30, 2024 and \$1.01 billion at December 31, 2023, assuming no foreign currency hedging.

### ITEM 4. CONTROLS AND PROCEDURES

#### *Evaluation of Disclosure Controls and Procedures*

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that our management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were designed at a reasonable assurance level and were effective to provide reasonable assurance that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

#### *Changes in Internal Control over Financial Reporting*

There was no change in our internal control over financial reporting that occurred during the quarter ended September 30, 2024, which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

For a description of our material pending legal proceedings, please see Note 10, *Commitments and Contingencies*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **ITEM 1A. RISK FACTORS**

Our operations and financial results are subject to various risks and uncertainties, including the factors discussed in Part I, Item 1A, *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2023, which could adversely affect our business, financial conditions and future results.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

In connection with the offering of 2.00% Convertible Senior Notes due 2024 in May 2019, we sold warrants to each of Société Générale, Wells Fargo Bank, National Association, Credit Suisse Capital LLC (later assigned to UBS AG, London Branch) and Goldman, Sachs & Co. LLC (together, the “2019 Warrantholders”). Between August 19, 2024 and September 30, 2024, we issued an aggregate of 8,506,223 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.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

None of the Company’s directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company’s fiscal quarter ended September 30, 2024, as such terms are defined under Item 408(a) of Regulation S-K, except as follows:

On July 25, 2024, Robyn Denholm, one of our directors, adopted a Rule 10b5-1 trading arrangement for the potential sale of up to 674,345 shares of our common stock (all resulting from stock options expiring in June 2025), subject to certain conditions. The arrangement’s expiration date is June 18, 2025.

On July 31, 2024, Kimbal Musk, one of our directors, adopted a Rule 10b5-1 trading arrangement for the potential sale of up to 152,088 shares of our common stock, subject to certain conditions. The arrangement’s expiration date is May 30, 2025.

On August 12, 2024, Kathleen Wilson-Thompson, one of our directors, adopted a Rule 10b5-1 trading arrangement for the potential sale of up to 300,000 shares of our common stock, subject to certain conditions. The arrangement’s expiration date is February 28, 2025.

**ITEM 6. EXHIBITS**

See Index to Exhibits at the end of this Quarterly Report on Form 10-Q for the information required by this Item.

**INDEX TO EXHIBITS**

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
31.1	<a href="#">Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Executive Officer</a>	—	—	—	—	X
31.2	<a href="#">Rule 13a-14(a) / 15(d)-14(a) Certification of Principal Financial Officer</a>	—	—	—	—	X
32.1*	<a href="#">Section 1350 Certifications</a>	—	—	—	—	
101.INS	Inline XBRL Instance Document	—	—	—	—	X
101.SCH	Inline XBRL Taxonomy Extension Schema Document	—	—	—	—	X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	—	—	—	—	X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	—	—	—	—	X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	—	—	—	—	X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	—	—	—	—	X
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)					

\* Furnished herewith

† Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv)

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Tesla, Inc.

Date: October 23, 2024

/s/ Vaibhav Taneja

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Vaibhav Taneja  
Chief Financial Officer  
(Principal Financial Officer and  
Duly Authorized Officer)

**CERTIFICATIONS**

I, Elon Musk, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 registrant'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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: October 23, 2024

/s/ Elon Musk

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Elon Musk  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATIONS**

I, Vaibhav Taneja, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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 registrant'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 registrant'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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: October 23, 2024

/s/ Vaibhav Taneja

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Vaibhav Taneja  
Chief Financial Officer  
(Principal Financial Officer)

**SECTION 1350 CERTIFICATIONS**

I, Elon Musk, certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge, the Quarterly Report of Tesla, Inc. on Form 10-Q for the quarterly period ended September 30, 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-Q fairly presents, in all material respects, the financial condition and results of operations of Tesla, Inc.

Date: October 23, 2024

/s/ Elon Musk

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Elon Musk  
Chief Executive Officer  
(Principal Executive Officer)

I, Vaibhav Taneja, certify, pursuant to 18 U.S.C. Section 1350, that, to my knowledge, the Quarterly Report of Tesla, Inc. on Form 10-Q for the quarterly period ended September 30, 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-Q fairly presents, in all material respects, the financial condition and results of operations of Tesla, Inc.

Date: October 23, 2024

/s/ Vaibhav Taneja

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Vaibhav Taneja  
Chief Financial Officer  
(Principal Financial Officer)



## **APPENDIX II**

### **REPRODUCTION OF THE PRESS RELEASE DATED 31 OCTOBER 2024 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

The information set out below is a reproduction of the press release dated 31 October 2024 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2024.

## **RESULTS AT 30 SEPTEMBER 2024**

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### **Press release**

Paris, 31 October 2024

### **SOLID BUSINESS PERFORMANCE IN Q3 24, GROUP NET INCOME OF EUR 1.4 BILLION**

**Revenues of EUR 6.8 billion**, up +10.5% vs. Q3 23<sup>1</sup>, driven notably by the strong rebound in net interest income in France, in line with end of year estimate, and by another solid performance of Global Banking and Investor Solutions, in particular in Equities and Transaction Banking

**Strong positive jaws**, control of operating expenses, down by -0.8% vs. Q3 23

**Cost-to-income ratio at 63.3% in Q3 24**, improved by 7.1 points vs. Q3 23

**Stable cost of risk at 27 basis points in Q3 24**

**Profitability (ROTE) at 9.6%** vs. 3.8% for Q3 23

### **9M 24 NET INCOME UP 53% VS. 9M 23 AT EUR 3.2 BILLION, DRIVEN BY THE IMPROVEMENT IN OPERATING PERFORMANCE**

**Revenues of EUR 20.2 billion**, up +5.3% vs. 9M 23

**Stable operating expenses**, +0.1% vs. 9M 23

**Cost-to-income ratio at 68.8%**, improved by 3.6 percentage points vs. 9M 23

**Profitability (ROTE) at 7.1%** vs. 5.0% for 9M 23

### **SOLID CAPITAL AND LIQUIDITY RATIOS**

**CET 1 ratio of 13.2%<sup>2</sup> at end of Q3 24**, around 300 basis points above the regulatory requirement

**Liquidity Coverage Ratio at 152% at end of Q3 24**

**Distribution provision of EUR 1.66<sup>3</sup> per share** at end-September 2024

### **DECISIVE EXECUTION OF THE STRATEGIC PLAN**

**Capital build-up ahead of Capital Markets Day trajectory**

**Continuous improvement in efficiency and profitability**

**Reshaping of the business portfolio well underway**

**Slawomir Krupa, the Group's Chief Executive Officer, commented:**

*"We are publishing solid quarterly results that continue to show strong improvement. It demonstrates that we are executing our strategic plan which is impacting our results in a positive and tangible way. Our revenues are up thanks to the solid performance of our businesses with a strong rebound of the net interest income in France and another remarkable contribution from Global Banking and Investor Solutions. Operating expenses are stable and cost of risk is contained. We are posting a clear improvement of cost-to-income ratio and profitability, and our capital ratio continues to strengthen. For the past year we have been working relentlessly. Our teams are mobilized and we have made progress in three fundamental areas: capital build-up, improvement of profitability, and the reshaping of our business portfolio. We continue to implement our various strategic initiatives such as BoursoBank's development, LeasePlan's integration within Ayvens and the acceleration of our contribution to the energy transition. Our goal remains unchanged: a sustainable performance that will create long-term value."*

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Asterisks\* in the document refer to data at constant perimeter and exchange rates

<sup>1</sup> +5.8% excluding exceptional proceeds recorded in Corporate Centre (~EUR 0.3bn)

<sup>2</sup> Including IFRS 9 phasing, proforma including Q3 24 results

<sup>3</sup> Based on a pay-out ratio of 50% of the Group net income, at the high-end of the 40%-50% pay-out ratio, as per regulation, restated from non-cash items and after deduction of interest on deeply subordinated notes and undated subordinated notes

## 1. GROUP CONSOLIDATED RESULTS

In EURm	Q3 24	Q3 23	Change		9M 24	9M 23	Change	
Net banking income	6,837	6,189	+10.5%	+11.8%*	20,167	19,147	+5.3%	+6.5%*
Operating expenses	(4,327)	(4,360)	-0.8%	-0.3%*	(13,877)	(13,858)	+0.1%	+0.5%*
Gross operating income	2,511	1,829	+37.3%	+41.0%*	6,290	5,289	+18.9%	+22.4%*
Net cost of risk	(406)	(316)	+28.4%	+30.5%*	(1,192)	(664)	+79.6%	+81.0%*
Operating income	2,105	1,513	+39.1%	+43.2%*	5,098	4,625	+10.2%	+13.9%*
Net profits or losses from other assets	21	6	x 3.5	x 3.4*	(67)	(92)	+27.5%	+27.3%*
Income tax	(535)	(624)	-14.3%	-12.7%*	(1,188)	(1,377)	-13.7%	-11.3%*
Net income	1,591	563	x 2.8	x 3.0*	3,856	2,836	+35.9%	+41.3%*
O.w. non-controlling interests	224	268	-16.5%	-16.1%*	696	774	-10.1%	-11.2%*
Reported Group net income	1,367	295	x 4.6	x 5.1*	3,160	2,062	+53.2%	+62.2%*
ROE	8.4%	0.9%			6.2%	3.6%		
ROTE	9.6%	3.8%			7.1%	5.0%		
Cost to income	63.3%	70.4%			68.8%	72.4%		

Societe Generale's Board of Directors, which met on 30 October 2024 under the chairmanship of Lorenzo Bini Smaghi, examined Societe Generale Group's results for Q3 24 and for the first nine months of 2024.

### Net banking income

**Net banking income stood at EUR 6.8 billion**, up by +10.5% vs. Q3 23.

Revenues of **French Retail, Private Banking and Insurance** were up by +18.7% vs. Q3 23 and totalled EUR 2.3 billion in Q3 24. Net interest income continued its rebound in Q3 24 (+43% excluding PEL/CEL provision vs. Q3 23), in line with latest estimates, in the context of a still muted loan environment and the pursuit of increasing interest-bearing deposits. Assets under management in the **Private Banking and Insurance** businesses continued to rise, respectively recording a growth of +8% and +10% in Q3 24 vs. Q3 23. Last, **BoursoBank** continued its controlled client acquisition, onboarding once again more than 300,000 new clients over the quarter, reaching close to 6.8 million clients at end-September 2024. Likewise, assets under administration rose by over 14% vs. Q3 23. As in Q2 24, BoursoBank posted a positive contribution to Group net income in Q3 24.

**Global Banking and Investor Solutions** registered a +4.9% increase in revenues relative to Q3 23. Revenues totalled EUR 2.4 billion over the quarter, still driven by strong dynamics of **Global Markets'** and **Global Transaction & Payment Services'** activities, with revenues increasing by a respective +7.6% and +9.0% in Q3 24 vs. Q3 23. Within Global Markets, revenues of Equity businesses grew by +10.1%. This is the second best third quarter ever. **Fixed income and Currencies** also recorded a solid performance, with a +6.1% increase in revenues amid a falling interest rates. **Financing and Advisory's** revenues totalled EUR 843 million, stable vs. Q3 23. The commercial momentum in the securitisation businesses remained very solid and the performance of financing activities continued to be good, albeit slower relative to an elevated Q3 23. Likewise, **Global Transaction & Payment Services'** activities posted an +9.0% increase in revenues vs. Q3 23, driven by a favourable market environment and sustained commercial development in the cash management and correspondent banking activities.

**Mobility, International Retail Banking and Financial Services'** revenues were down by -5.4% vs. Q3 23 mainly owing to base effects at Ayvens. **International Retail Banking** recorded a +1.4% increase in revenues vs. Q3 23 to EUR 1.1 billion, driven by favourable momentum across all regions. **Mobility and Financial Services'** revenues contracted by -11.4% vs. Q3 23 owing to an unfavourable non-recurring base effect on Ayvens.

The **Corporate Centre** recorded revenues of EUR +54 million in Q3 24. They include the booking of exceptional proceeds of approximately EUR 0.3 billion<sup>1</sup>.

**Over 9M 24, net banking income increased by +5.3% vs. 9M 23.**

### **Operating expenses**

**Operating expenses came to EUR 4,327 million in Q3 24, down -0.8% vs. Q3 23.**

**The cost-to-income ratio stood at 63.3% in Q3 24, a sharp decrease vs. Q3 23 (70.4%) and Q2 24 (68.4%).**

**Over 9M 24**, operating expenses were stable (+0.1% vs. 9M 23) and the cost-to-income ratio came to 68.8% (vs. 72.4% for 9M 23), which is lower than the 71% target set for FY 2024.

### **Cost of risk**

**The cost of risk was stable and contained over the quarter at 27 basis points**, i.e., EUR 406 million. This comprises a EUR 400 million provision for doubtful loans (around 27 basis points) and a provision on performing loan outstandings for EUR +6 million.

At end-September 2024, the Group's provisions on performing loans amounted to EUR 3,122 million, down by a slight EUR -56 million relative to 30 June 2024 notably as per the application of IFRS5 accounting standards on activities under disposal. The EUR -450 million contraction relative to 31 December 2023 is mainly owing to the application of IFRS 5 accounting standards for activities under disposal.

The gross non-performing loan ratio stood at 2.95%<sup>2,3</sup> at 30 September 2024, down vs. end of June 2024 (3.03%). The net coverage ratio on the Group's non-performing loans stood at 84%<sup>4</sup> at 30 September 2024 (after netting of guarantees and collateral).

### **Net profits from other assets**

In Q3 24, the Group booked net profit of EUR 21 million driven, on the one hand, by the sale of the headquarters of KB in the Czech Republic and, on the other hand, by the accounting impacts mainly owing to the current sale of assets.

### **Group net income**

**Group net income stood at EUR 1,367 million in Q3 24**, equating to a Return on Tangible Equity (ROTE) of 9.6%.

**Over 9M 24, Group net income came to EUR 3,160 million**, equating to a Return on Tangible Equity (ROTE) of 7.1%.

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<sup>1</sup> As stated in Q2 24 results press release

<sup>2</sup> Ratio calculated according to European Banking Authority (EBA) methodology published on 16 July 2019

<sup>3</sup> Ratio excluding loans outstanding of companies currently being disposed of in compliance with IFRS 5

<sup>4</sup> Ratio of S3 provisions, guarantees and collaterals over gross outstanding non-performing loans

## 2. STRATEGIC PLAN FULLY ON TRACK

Since announcing its strategic plan in September 2023, the Group has made significant progress in its implementation, the benefits of which are starting to materialise, including on financials aspects. Fundamental milestones have notably been reached in three major areas: capital build-up, the continuous improvement in efficiency and profitability and the reshaping of the business portfolio.

Regarding the business portfolio, the Group has been proactive in recent months, announcing the disposal of several non-core and non-synergistic assets. These latest divestments not only contribute to simplifying the Group but will also reinforce the capital ratio by around 60 basis points, of which around 15 basis points are expected by year-end.

At the same time, the Group is preparing the future by investing in our core franchises, as demonstrated by the development of BoursoBank, the integration of LeasePlan in Ayvens, the creation of Bernstein, the partnership with Brookfield, the merger of our networks in France and the digitalization of our networks in the Czech Republic.

The rollout of our ESG roadmap is also progressing well, particularly on the alignment of our portfolio. The Group has already reduced by more than 50% its upstream Oil & Gas exposure at Q2 24 compared to 2019<sup>1</sup>.

Last quarter, the Group reached its EUR 300 billion sustainable finance target set between 2022-2025. Societe Generale announces today a new sustainable finance target to facilitate EUR 500 billion over the 2024-2030 period that breaks down as follows:

- EUR 400 billion in financing and EUR 100 billion in sustainable bonds<sup>2</sup>
- EUR 400 billion in environmental activities and EUR 100 billion in social

A major portion of financing will be for dedicated transactions in clean energy, sustainable real estate, low carbon mobility, and other industry and environmental transition topics.

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<sup>1</sup> Target: -80% upstream exposure reduction by 2030 vs. 2019, with an intermediary step in 2025 at -50% vs. 2019

<sup>2</sup> Only the Societe Generale participation is taken into account

### 3. THE GROUP'S FINANCIAL STRUCTURE

At 30 September 2024, the Group's **Common Equity Tier 1** ratio stood at 13.2%<sup>1</sup>, around 300 basis points above the regulatory requirement. Likewise, the Liquidity Coverage Ratio (LCR) was well ahead of regulatory requirements at 152% at end-September 2024 (156% on average for the quarter), and the Net Stable Funding Ratio (NSFR) stood at 116% at end-September 2024.

All liquidity and solvency ratios are well above the regulatory requirements.

	30.09.2024	31.12.2023	Requirements
CET1 <sup>(1)</sup>	13.2%	13.1%	10.22%
CET1 fully loaded	13.2%	13.1%	10.22%
Tier 1 ratio <sup>(1)</sup>	15.5%	15.6%	12.15%
Total Capital <sup>(1)</sup>	18.2%	18.2%	14.71%
Leverage ratio <sup>(1)</sup>	4.25%	4.25%	3.60%
TLAC (% RWA) <sup>(1)</sup>	27.8%	31.9%	22.29%
TLAC (% leverage) <sup>(1)</sup>	7.6%	8.7%	6.75%
MREL (% RWA) <sup>(1)</sup>	32.2%	33.7%	27.56%
MREL (% leverage) <sup>(1)</sup>	8.8%	9.2%	6.23%
End of period LCR	152%	160%	>100%
Period average LCR	156%	155%	>100%
NSFR	116%	119%	>100%

In EURbn	30.09.2024	31.12.2023
Total consolidated balance sheet	1,580	1,554
Group shareholders' equity	67	66
Risk-weighted assets	392	389
O.w. credit risk	331	326
Total funded balance sheet	948	970
Customer loans	453	497
Customer deposits	608	618

At 11 October 2024, the parent company had issued a total of EUR 38.0 billion in medium/long-term debt, of which EUR 17.5 billion in vanilla notes. The 2024 long-term vanilla funding programme is completed. The subsidiaries had issued EUR 4.6 billion. In all, the Group has issued a total of EUR 42.6 billion.

The Group is rated by four rating agencies: (i) FitchRatings - long-term rating "A-", stable outlook, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", negative outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

<sup>1</sup> Including IFRS 9 phasing, proforma including Q3 24 results

## 4. FRENCH RETAIL, PRIVATE BANKING AND INSURANCE

In EURm	Q3 24	Q3 23	Change	9M 24	9M 23	Change
Net banking income	2,254	1,900	+18.7%	6,390	6,090	+4.9%
<i>Net banking income excl. PEL/CEL</i>	2,259	1,895	+19.2%	6,392	6,090	+5.0%
Operating expenses	(1,585)	(1,608)	-1.4%	(4,962)	(5,073)	-2.2%
<b>Gross operating income</b>	<b>669</b>	<b>292</b>	<b>x 2.3</b>	<b>1,428</b>	<b>1,017</b>	<b>+40.5%</b>
Net cost of risk	(178)	(144)	+23.4%	(597)	(342)	+74.7%
<b>Operating income</b>	<b>491</b>	<b>148</b>	<b>x 3.3</b>	<b>831</b>	<b>675</b>	<b>+23.1%</b>
Net profits or losses from other assets	(1)	0	n/s	7	4	x 2.1
<b>Reported Group net income</b>	<b>368</b>	<b>109</b>	<b>x 3.4</b>	<b>631</b>	<b>506</b>	<b>+24.8%</b>
RONE	9.4%	2.8%		5.4%	4.4%	
Cost to income	70.3%	84.7%		77.7%	83.3%	

### Commercial activity

#### SG Network, Private Banking and Insurance

Average outstanding deposits of the SG Network amounted to EUR 236 billion in Q3 24, up by +0.6% vs. the previous quarter (-1% vs. Q3 23), with a continued rise in interest-bearing deposits and financial savings.

The SG Network's average loan outstandings contracted by -5% vs. Q3 23 to EUR 195 billion. Outstanding loans to corporate and professional clients were stable vs. Q3 23 (excluding government-guaranteed PGE loans), with the share of medium to long-term loans increasing relative to Q2 24. Home loan production continued its recovery (2.4x vs. Q3 23 and +15% vs. Q2 24).

The average loan to deposit ratio came to 82.5% in Q3 24, down by -3.3 percentage points relative to Q3 23.

**Private Banking** activities saw their assets under management<sup>1</sup> reach a new record of EUR 154 billion in Q3 24, up by +8% vs. Q3 23. Net gathering stood at EUR 5.9 billion in 9M 24, the net asset gathering pace (net new money divided by AuM) has risen by +5.5% since the start of the year. Net banking income stood at EUR 368 million over the quarter, stable vs. Q3 23. Over 9M 24, net banking income came to EUR 1,121 million, a +1% increase vs. 9M 23.

**Insurance**, which covers activities in and outside France, posted a very strong commercial performance. Life insurance outstandings increased sharply by +10% vs. Q3 23 to reach a record EUR 145 billion at end-September 2024. The share of unit-linked products remained high at 40%. Gross life insurance savings inflows amounted to EUR 3.6 billion in Q3 24, up by +35% vs. Q3 23.

Personal protection and P&C premia were up by +5% vs. Q3 23.

#### BoursoBank

BoursoBank registered almost 6.8 million clients at end-September 2024, a +27% increase vs. Q3 23 (an increase of around 1.4 million clients year on year). The pace of new client acquisition (around 310,000 new clients in Q3 24) is fully in line with the target of 7 million clients by the end of 2024. BoursoBank can build on an active, loyal and high-quality client base. The brokerage activity registered two million transactions, up by +18% vs. Q3 23. Last, proof of the efficiency of the model and of the very high client satisfaction level, the churn rate has remained low at around 3% and below the market rate.

<sup>1</sup> France and International, including Switzerland and United Kingdom

Average loan outstandings rose by +4,2% compared to Q3 23, at EUR 15 billion in Q3 24.

Average outstanding savings including deposits and financial savings were +13.8% higher vs. Q3 23 at EUR 63 billion. Deposits outstanding totalled EUR 38 billion at Q3 24, posting another sharp increase of +16.2% vs. Q3 23. Life insurance outstandings came to EUR 12 billion in Q3 24 and rose by +7.3% vs. Q3 23 (o/w 47% unit-linked products, a +3.3 percentage points increase vs. Q3 23). The activity continued to register strong gross inflows over the quarter (+55% vs. Q3 23, around 53% unit-linked products).

For the second quarter in a row, BoursoBank recorded a positive contribution to Group net income in Q3 24.

### **Net banking income**

**Over the quarter**, revenues came to EUR 2,254 million, up +19% vs. Q3 23 and up +6% vs Q2 24. Net interest income grew by +43% vs. Q3 23 (excluding PEL/CEL) and +19% (EUR 169 million) vs. Q2 24. Fee income rose by +5.0% relative to Q3 23.

**Over 9M 24** revenues came to EUR 6,390 million, up by +4.9% vs. 9M 23. Net interest income excluding PEL/CEL was up by +15.9% vs. 9M 23. Fee income increased by +1.7% relative to 9M 23.

### **Operating expenses**

**Over the quarter**, operating expenses came to EUR 1,585 million, down -1.4% vs. Q3 23. Operating expenses for Q3 24 include EUR 12 million in transformation costs. The cost-to-income ratio stood at 70.3% for Q3 24, improving by more than +14 percentage points vs. Q3 23.

**Over 9M 24**, operating expenses came to EUR 4,962 million (-2.2% vs. 9M 23). The cost-to-income ratio stood at 77.7% and improved by +5.7 percentage points vs. 9M 23.

### **Cost of risk**

**In Q3 24**, the cost of risk amounted to EUR 178 million or 30 basis points stable on Q2 24 (29 basis points).

**Over 9M 24**, the cost of risk totalled EUR 597 million or 34 basis points.

### **Group net income**

**Over the quarter**, Group net income totalled EUR 368 million. RONE stood at 9.4% in Q3 24.

**Over 9M 24**, Group net income totalled EUR 631 million. RONE stood at 5.4% in 9M 24.



## 5. GLOBAL BANKING AND INVESTOR SOLUTIONS

In EUR m	Q3 24	Q3 23	Variation		9M 24	9M 23	Change	
Net banking income	2,422	2,309	+4.9%	+5.2%*	7,666	7,457	+2.8%	+2.8%*
Operating expenses	(1,494)	(1,478)	+1.1%	+1.3%*	(4,898)	(5,187)	-5.6%	-5.5%*
Gross operating income	928	831	+11.6%	+12.0%*	2,768	2,270	+21.9%	+21.8%*
Net cost of risk	(27)	(14)	+95.3%	x 2.0*	(29)	8	n/s	n/s
Operating income	901	817	+10.2%	+10.5%*	2,739	2,278	+20.2%	+20.0%*
Reported Group net income	699	645	+8.2%	+8.5%*	2,160	1,814	+19.1%	+18.8%*
RONE	18.0%	16.8%			19.0%	15.6%		
Cost to income	61.7%	64.0%			63.9%	69.6%		

### Net banking income

**Global Banking and Investor Solutions** continued to deliver very strong performances, posting revenues of EUR 2,422 million, up +4.9% versus Q3 23.

**Over 9M 24**, revenues climbed by +2.8% vs. 9M 23 (EUR 7,666 million vs. EUR 7,457 million).

**Global Markets and Investor Services** recorded a rise in revenues over the quarter vs. Q3 23 of +7.6% to EUR 1,579 million. Over 9M 24, revenues totalled EUR 5,063 million, i.e., a +3.1% increase vs. 9M 23. Growth was mainly driven by **Global Markets** which recorded revenues of EUR 1,410 million in Q3 24, up by +8.6% relative to Q3 23 amid a positive environment that was particularly conducive to Equities. Over 9M 24, revenues totalled EUR 4,553 million, up by +4.5% vs. 9M 23.

**The Equities business** again delivered a solid performance, recording revenues of EUR 880 million in Q3 24, up by a strong +10.1% vs. Q3 23, notably on the back of a very good performance from derivatives amid favourable market conditions. This is the second best third quarter ever. Over 9M 24, revenues increased sharply by +12.9% relative to 9M 23 to EUR 2,739 million.

**Fixed Income and Currencies** registered a +6.1% increase in revenues to EUR 530 million in Q3 24, notably owing to robust demand for rates and forex flow activities, particularly from US clients. Over 9M 24, revenues decreased by -6.0% to EUR 1,814 million.

**Securities Services'** revenues were up +0.6% versus Q3 23 at EUR 169 million, but increased by +9.9% excluding the impact of equity participations. The business continued to reap the benefit of a positive fee generation trend and robust momentum in private market and fund distribution. Over 9M 24, revenues were down by -8.2%, but rose by +2.1% excluding equity participations. Assets under Custody and Assets under Administration amounted to EUR 4,975 billion and EUR 614 billion, respectively.

**The Financing and Advisory** business posted revenues of EUR 843 million, stable versus Q3 23. Over 9M 24, revenues totalled EUR 2,602 million, up by +2.3% vs. 9M 23.

The **Global Banking and Advisory** business posted a -3.2% decline in revenues relative to Q3 23. Securitised products again delivered a solid performance and momentum was strong in the distribution activity. Financing activities posted a good performance, albeit down on the high baseline in Q3 23. Investment banking activities turned in resilient performances. Over 9M 24, revenues dipped slightly by -0.3% relative to 9M 23.

**Global Transaction & Payment Services** again delivered a very robust performance compared with Q3 23, posting an +9.0% increase in revenues, driven by strong momentum in cash management and the correspondent banking activities. Over 9M 24, revenues grew by +10.1%.

## Operating expenses

**Operating expenses came to EUR 1,494 million over the quarter** and included EUR 21 million in transformation costs. Operating expenses rose by +1.1% compared with Q3 23, equating to a cost-to-income ratio of 61.7% in Q3 24.

**Over 9M 24**, operating expenses decreased by -5.6% compared with 9M 23 and the cost-to-income ratio came to 63.9%.

## Cost of risk

**Over the quarter**, the cost of risk was low at EUR 27 million, or 7 basis points vs. 3 basis points in Q3 23.

**Over 9M 24**, the cost of risk was EUR 29 million, or 2 basis points.

## Group net income

Group net income increased by +8.2% vs. Q3 23 to **EUR 699 million**. Over 9M 24, Group net income rose sharply by +19.1% to EUR 2,160 million.

Global Banking and Investor Solutions reported **high RONE of 18.0% for the quarter and RONE of 19.0% for 9M 24**.

## 6. MOBILITY, INTERNATIONAL RETAIL BANKING AND FINANCIAL SERVICES

In EURm	Q3 24	Q3 23	Change		9M 24	9M 23	Change	
Net banking income	2,108	2,228	-5.4%	-2.8%*	6,403	6,491	-1.4%	+1.8%*
Operating expenses	(1,221)	(1,239)	-1.4%	+0.3%*	(3,832)	(3,479)	+10.2%	+12.7%*
Gross operating income	887	989	-10.4%	-6.6%*	2,570	3,013	-14.7%	-10.9%*
Net cost of risk	(201)	(175)	+14.9%	+18.1%*	(572)	(349)	+63.7%	+65.9%*
Operating income	685	814	-15.8%	-12.0%*	1,998	2,663	-25.0%	-21.2%*
Net profits or losses from other assets	94	1	x 77.0	x 76.7*	98	0	x 375.7	x 304.1
Non-controlling interests	223	237	-6.1%	-3.6%*	623	674	-7.6%	-7.8%*
Reported Group net income	367	377	-2.4%	+3.1%*	956	1,325	-27.8%	-22.1%*
RONE	14.1%	14.9%			12.2%	18.6%		
Cost to income	57.9%	55.6%			59.9%	53.6%		

### Commercial activity

#### International Retail Banking

**International Retail Banking**<sup>1</sup> posted robust commercial momentum in Q3 24, with an increase in loan outstandings of +4.2%\* vs. Q3 23 (+1.8%, outstandings of EUR 68 billion in Q3 24) and growth of +4.1%\* vs. Q3 23 (+1.2%, outstandings of EUR 83 billion in Q3 24).

Activity in **Europe** was solid across client segments for both entities. Loan outstandings increased by +6.0%\* vs. Q3 23 (+3.1% at current perimeter and exchange rates, outstandings of EUR 43 billion in Q3 24), driven by home loans and medium and long-term corporate loans in a lower rates environment. Deposit outstandings increased by +4.6%\* vs. Q3 23 (+1.9% at current perimeter and exchange rates, outstandings of EUR 55 billion in Q3 24), mainly on interest-bearing products.

In **Africa, Mediterranean Basin and French Overseas Territories**, loan outstandings totalled EUR 25 billion in Q3 24 (+1.2%\* vs. Q3 23, stable at current perimeter and exchange rates) on back of a +5.6%\* rise vs. Q3 23 in sub-Saharan Africa (stable vs. Q3 23 at current perimeter and exchange rates). Deposit outstandings totalled EUR 27 billion at Q3 24. They increased by +3.0%\* vs. Q3 23 (stable at current perimeter and exchange rates) across all client segments in Africa.

#### Mobility and Financial Services

Overall, **Mobility and Financial Services** maintained a good commercial performance.

Ayvens' earning assets totalled EUR 53.1 billion at end-September 2024, a +5.8% increase vs. end-September 2023.

The **Consumer Finance** business posted loans outstanding of EUR 23 billion for Q3 24, down -4.5% vs. Q3 23 in a still uncertain environment.

**Equipment Finance** posted outstandings of EUR 15 billion in Q3 24, the same level as in Q3 23.

### Net banking income

**Over the quarter, Mobility, International Retail Banking and Financial Services'** revenues totalled EUR 2,108 million, a decrease of -2.8%\* vs. Q3 23 (-5.4% at current perimeter and exchange rates).

<sup>1</sup> Including entities reported under IFRS 5

**Over 9M 24**, revenues came to EUR 6,403 million, up slightly by +1.8%\* vs. 9M 23 (-1.4% at current perimeter and exchange rates).

**International Retail Banking** recorded a solid performance over the quarter, with a net banking income of EUR 1,058 million, up by +5.1%\* vs. Q3 23 (+1.4% at current perimeter and exchange rates). Over 9M 24, revenues totalled EUR 3,131 million, a +4.0%\* increase vs. 9M 23 (stable at current perimeter and exchange rates).

**Europe** recorded revenues of EUR 506 million in Q3 24, an increase for both entities (+3.0%\* vs. Q3 23, stable at current perimeter and exchange rates).

The **Africa, Mediterranean Basin and French Overseas Territories** region continued to post robust commercial momentum with revenues of EUR 552 million in Q3 24. These increased by +7.2%\* vs. Q3 23 (+2.8% at current perimeter and exchange rates), driven by a significant rise in net interest income in Africa (+10.5%\* vs. Q3 23).

In Q3 24, **Mobility and Financial Services'** revenues decreased by -11.4% vs. Q3 23 to EUR 1,049 million. Over the first nine months of 2024, they contracted by -2.9% to EUR 3,271 million.

**Ayvens'** net banking income stood at EUR 732 million, a decrease of -14,8% in Q3 24 vs. Q3 23 and of -4,0% restated from non-recurring items<sup>1</sup>. The amount of underlying margins was stable vs. Q3 23 at around EUR 690 million<sup>1</sup>. The average used car sale result per vehicle (UCS) continued to normalise but remained at a high level of EUR 1,420<sup>1</sup> per unit in Q3 24 vs. EUR 1,480<sup>1</sup> in Q2 24.

**Consumer Finance** activities, down by -3.5% vs. Q3 23, have stabilised since Q2 24 with the business posting net banking income of EUR 218 million in Q3 24. **Equipment Finance** revenues were also stable vs. Q3 23 (EUR 99 million in Q3 24).

## Operating expenses

**Over the quarter**, operating expenses were stable (+0.3%\* vs. Q3 23, -1.4%) at EUR 1,221 million and included EUR 29 million in transformation costs. The cost-to-income ratio came to 57.9% in Q3 24.

**Over 9M 24**, operating expenses totalled EUR 3,832 million, up +12.7%\* vs. 9M 23 (+10.2% at current perimeter and exchange rates). They include around EUR 148 million of transformation charges.

In a context of a strong transformation, **International Retail Banking** costs rose by +3.4%\* vs. Q3 23 (stable at current perimeter and exchange rates, EUR 567 million in Q3 24), notably due to the impact of a new banking tax in Romania which entered into force in January 2024.

The **Mobility and Financial Services** business recorded a decrease in operating expenses compared to Q3 23 (-2.4% vs. Q3 23, EUR 654 million in Q3 24).

## Cost of risk

**Over the quarter**, the cost of risk normalised at 48 basis points (or EUR 201 million).

**Over 9M 24**, the cost of risk stood at 45 basis points vs. 32 basis points in 9M 23.

## Group net income

**Over the quarter**, Group net income came to EUR 367 million, down -2.4% vs. Q3 23. RONE stood at 14.1% in Q3 24. RONE was 21.4% for International Retail Banking (positive impact on Group net income

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<sup>1</sup> Excluding non-recurring items on either margins or UCS (mainly linked to fleet revaluation at EUR 114m in Q3 23 vs EUR 0m in Q3 24, the net impact related to prospective depreciation and Purchase Price Allocation for ~EUR 35m vs. Q3 23, hyperinflation in Turkey at EUR 46m in Q3 23 vs. EUR 10m in Q3 24 and MtM of derivatives at EUR -82m in Q3 23 vs. EUR -55m in Q3 24)

of around EUR 40 million related to the sale of KB head office premises), and 9.2% in Mobility and Financial Services in Q3 24.

**Over 9M 24**, Group net income came to EUR 956 million, down by -27.8% vs. 9M 23. RONE stood at 12.2% for 9M 24. RONE was 16.4% in International Retail Banking, and 9.5% in Mobility and Financial Services in 9M 24.

## 7. CORPORATE CENTRE

In EURm	Q3 24	Q3 23	Change		9M 24	9M 23	Change	
Net banking income	54	(249)	n/s	n/s	(291)	(891)	+67.3%	+67.8%*
Operating expenses	(27)	(35)	-22.8%	-25.8%*	(185)	(119)	+55.2%	+48.2%*
<b>Gross operating income</b>	<b>27</b>	<b>(283)</b>	<b>n/s</b>	<b>n/s</b>	<b>(476)</b>	<b>(1,010)</b>	<b>+52.9%</b>	<b>+54.2%*</b>
Net cost of risk	1	17	+95.9%	+95.9%*	6	19	+70.6%	+70.6%*
Net profits or losses from other assets	(73)	4	n/s	n/s	(172)	(96)	-78.9%	-79.1%*
Income tax	(26)	(214)	-87.7%	-87.5%*	118	(85)	n/s	n/s
<b>Reported Group net income</b>	<b>(67)</b>	<b>(836)</b>	<b>+92.0%</b>	<b>+92.2%*</b>	<b>(587)</b>	<b>(1,582)</b>	<b>+62.9%</b>	<b>+63.7%*</b>

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects, as well as several costs incurred by the Group that are not re-invoiced to the businesses.

### Net banking income

Over the quarter, the Corporate Centre's net banking income totalled EUR +54 million vs. EUR -249 million in Q3 23. It includes the booking of exceptional proceeds received of approximately EUR 0.3 billion<sup>1</sup>.

### Operating expenses

Over the quarter, operating expenses totalled EUR 27 million vs. EUR 35 million in Q3 23.

### Net losses from other assets

Pursuant notably to the application of IFRS 5, the Group booked in Q3 24 various impacts from ongoing disposals of assets.

### Group net income

Over the quarter, the Corporate Centre's Group net income totalled EUR -67 million vs. EUR -836 million in Q3 23.

<sup>1</sup> As stated in Q2 24 results press release

## 8. 2024 AND 2025 FINANCIAL CALENDAR

### 2024 and 2025 Financial communication calendar

February 6 <sup>th</sup> , 2025	Fourth quarter and full year 2024 results
April 30 <sup>th</sup> , 2025	First quarter 2025 results
May 20 <sup>th</sup> , 2025	2024 Combined General Meeting

**The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, cost of risk in basis points, ROE, ROTE, RONE, net assets and tangible net assets are presented in the methodology notes, as are the principles for the presentation of prudential ratios.**

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.

These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:

- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on <https://investors.societegenerale.com/en>).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

## 9. APPENDIX 1: FINANCIAL DATA

### GROUP NET INCOME BY CORE BUSINESS

In EURm	Q3 24	Q3 23	Variation	9M 24	9M 23	Variation
French Retail, Private Banking and Insurance	368	109	x 3.4	631	506	+24.8%
Global Banking and Investor Solutions	699	645	+8.2%	2,160	1,814	+19.1%
Mobility, International Retail Banking & Financial Services	367	377	-2.4%	956	1,325	-27.8%
<b>Core Businesses</b>	<b>1,434</b>	<b>1,131</b>	<b>+26.7%</b>	<b>3,747</b>	<b>3,644</b>	<b>+2.8%</b>
Corporate Centre	(67)	(836)	+92.0%	(587)	(1,582)	+62.9%
<b>Group</b>	<b>1,367</b>	<b>295</b>	<b>x 4.6</b>	<b>3,160</b>	<b>2,062</b>	<b>+53.2%</b>

### MAIN EXCEPTIONAL ITEMS

In EURm	Q3 24	Q3 23	9M 24	9M 23
<b>Net Banking Income - Total exceptional items</b>	<b>287</b>	<b>0</b>	<b>287</b>	<b>(240)</b>
One-off legacy items - Corporate Centre	0	0	0	(240)
Exceptional proceeds received - Corporate Centre	287	0	287	0
<b>Operating expenses - Total one-off items and transformation charges</b>	<b>(62)</b>	<b>(145)</b>	<b>(538)</b>	<b>(662)</b>
Transformation charges	(62)	(145)	(538)	(627)
<i>Of which French Retail, Private Banking and Insurance</i>	(12)	(46)	(139)	(330)
<i>Of which Global Banking &amp; Investor Solutions</i>	(21)	(41)	(204)	(102)
<i>Of which Mobility, International Retail Banking &amp; Financial Services</i>	(29)	(58)	(148)	(195)
<i>Of which Corporate Centre</i>	0	0	(47)	0
One-off items	0	0	0	(35)
<i>Of which French Retail, Private Banking and Insurance</i>	0	0	0	60
<i>Of which Global Banking &amp; Investor Solutions</i>	0	0	0	(95)
<b>Other one-off items - Total</b>	<b>13</b>	<b>(625)</b>	<b>13</b>	<b>(704)</b>
Net profits or losses from other assets	13	(17)	13	(96)
<i>Of which Mobility, International Retail Banking and Financial Services</i>	86	0	86	0
<i>Of which Corporate Centre</i>	(73)	(17)	(73)	(96)
Goodwill impairment - Corporate Centre	0	(338)	0	(338)
Provision of Deferred Tax Assets - Corporate Centre	0	(270)	0	(270)



## CONSOLIDATED BALANCE SHEET

In EUR m	30.09.2024	31.12.2023
Cash, due from central banks	199,140	223,048
Financial assets at fair value through profit or loss	528,259	495,882
Hedging derivatives	8,265	10,585
Financial assets at fair value through other comprehensive income	93,795	90,894
Securities at amortised cost	29,908	28,147
Due from banks at amortised cost	87,153	77,879
Customer loans at amortised cost	446,576	485,449
Revaluation differences on portfolios hedged against interest rate risk	(330)	(433)
Insurance and reinsurance contracts assets	438	459
Tax assets	4,535	4,717
Other assets	75,523	69,765
Non-current assets held for sale	39,940	1,763
Investments accounted for using the equity method	384	227
Tangible and intangible fixed assets	60,970	60,714
Goodwill	5,031	4,949
<b>Total</b>	<b>1,579,587</b>	<b>1,554,045</b>

In EUR m	30.09.2024	31.12.2023
Due to central banks	10,134	9,718
Financial liabilities at fair value through profit or loss	391,788	375,584
Hedging derivatives	14,621	18,708
Debt securities issued	162,997	160,506
Due to banks	105,320	117,847
Customer deposits	526,100	541,677
Revaluation differences on portfolios hedged against interest rate risk	(5,074)	(5,857)
Tax liabilities	2,516	2,402
Other liabilities	93,909	93,658
Non-current liabilities held for sale	29,802	1,703
Insurance contracts related liabilities	150,295	141,723
Provisions	3,954	4,235
Subordinated debts	15,985	15,894
<b>Total liabilities</b>	<b>1,502,347</b>	<b>1,477,798</b>
<b>Shareholder's equity</b>	-	-
<b>Shareholders' equity, Group share</b>	-	-
Issued common stocks and capital reserves	21,166	21,186
Other equity instruments	8,918	8,924
Retained earnings	34,074	32,891
Net income	3,160	2,493
<b>Sub-total</b>	<b>67,318</b>	<b>65,494</b>
Unrealised or deferred capital gains and losses	128	481
<b>Sub-total equity, Group share</b>	<b>67,446</b>	<b>65,975</b>
Non-controlling interests	9,794	10,272
<b>Total equity</b>	<b>77,240</b>	<b>76,247</b>
<b>Total</b>	<b>1,579,587</b>	<b>1,554,045</b>

## 10. APPENDIX 2: METHODOLOGY

**1 - The financial information presented for the third quarter and nine-month 2024 was examined by the Board of Directors on October 30<sup>th</sup>, 2024** and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

### 2 - Net banking income

The pillars' net banking income is defined on page 42 of Societe Generale's 2024 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

### 3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 5 to the Group's consolidated financial statements as at December 31<sup>st</sup>, 2023. The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 42 of Societe Generale's 2024 Universal Registration Document.

### 4 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk is defined on pages 43 and 770 of Societe Generale's 2024 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

In EURm		Q3 24	Q3 23	9M 24	9M 23
French Retail, Private Banking and Insurance	Net Cost Of Risk	178	144	597	342
	Gross loan Outstandings	234,420	243,740	236,286	248,757
	<b>Cost of Risk in bp</b>	<b>30</b>	<b>24</b>	<b>34</b>	<b>18</b>
Global Banking and Investor Solutions	Net Cost Of Risk	27	14	29	(8)
	Gross loan Outstandings	163,160	167,057	163,482	170,165
	<b>Cost of Risk in bp</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>(1)</b>
Mobility, International Retail Banking & Financial Services	Net Cost Of Risk	201	175	572	349
	Gross loan Outstandings	168,182	162,873	167,680	145,227
	<b>Cost of Risk in bp</b>	<b>48</b>	<b>43</b>	<b>45</b>	<b>32</b>
Corporate Centre	Net Cost Of Risk	(1)	(17)	(6)	(19)
	Gross loan Outstandings	25,121	22,681	24,356	19,364
	<b>Cost of Risk in bp</b>	<b>(1)</b>	<b>(31)</b>	<b>(3)</b>	<b>(13)</b>
Societe Generale Group	Net Cost Of Risk	406	316	1,192	664
	Gross loan Outstandings	590,882	596,350	591,804	583,512
	<b>Cost of Risk in bp</b>	<b>27</b>	<b>21</b>	<b>27</b>	<b>15</b>

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

## 5 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on pages 43 and 44 of Societe Generale's 2024 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2024 Universal Registration Document.

Group net income used for the ratio numerator is the accounting Group net income adjusted for "Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation". For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to the accounting equity in order to calculate ROE and ROTE for the period are given in the table below:

### ROTE calculation: calculation methodology

End of period (in EURm)	Q3 24	Q3 23	9M 24	9M 23
Shareholders' equity Group share	67,446	68,077	67,446	68,077
Deeply subordinated and undated subordinated notes	(8,955)	(11,054)	(8,955)	(11,054)
Interest payable to holders of deeply & undated subordinated notes, issue premium amortisation <sup>(1)</sup>	(45)	(102)	(45)	(102)
OCI excluding conversion reserves	560	853	560	853
Distribution provision <sup>(2)</sup>	(1,319)	(1,059)	(1,319)	(1,059)
Distribution N-1 to be paid	-	-	-	-
<b>ROE equity end-of-period</b>	<b>57,687</b>	<b>56,715</b>	<b>57,687</b>	<b>56,715</b>
<b>Average ROE equity</b>	<b>57,368</b>	<b>56,572</b>	<b>56,896</b>	<b>56,326</b>
Average Goodwill <sup>(3)</sup>	(4,160)	(4,279)	(4,079)	(3,991)
Average Intangible Assets	(2,906)	(3,390)	(2,933)	(3,128)
<b>Average ROTE equity</b>	<b>50,302</b>	<b>48,903</b>	<b>49,884</b>	<b>49,207</b>
<b>Group net Income</b>	<b>1,367</b>	<b>295</b>	<b>3,160</b>	<b>2,063</b>
Interest paid and payable to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisation	(165)	(165)	(521)	(544)
Cancellation of goodwill impairment	-	338	-	338
<b>Adjusted Group net Income</b>	<b>1,202</b>	<b>468</b>	<b>2,639</b>	<b>1,858</b>
<b>ROTE</b>	<b>9.6%</b>	<b>3.8%</b>	<b>7.1%</b>	<b>5.0%</b>

### RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q3 24	Q3 23	Change	9M 24	9M 23	Change
French Retail , Private Banking and Insurance	15,695	15,564	+0.8%	15,602	15,457	+0.9%
Global Banking and Investor Solutions	15,490	15,324	+1.1%	15,149	15,485	-2.2%
Mobility, International Retail Banking & Financial Services	10,433	10,136	+2.9%	10,425	9,505	+9.7%
<b>Core Businesses</b>	<b>41,618</b>	<b>41,024</b>	<b>+1.4%</b>	<b>41,177</b>	<b>40,448</b>	<b>+1.8%</b>
Corporate Center	15,750	15,548	+1.3%	15,719	15,878	-1.0%
<b>Group</b>	<b>57,368</b>	<b>56,572</b>	<b>+1.4%</b>	<b>56,896</b>	<b>56,326</b>	<b>+1.0%</b>

<sup>1</sup> Interest net of tax

<sup>2</sup> The dividend to be paid is calculated based on a pay-out ratio of 50%, restated from non-cash items and after deduction of interest on deeply subordinated notes and on undated subordinated notes

<sup>3</sup> Excluding goodwill arising from non-controlling interests

## 6 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 45 of the Group's 2024 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	9M 24	H1 24	2023
Shareholders' equity Group share	67,446	66,829	65,975
Deeply subordinated and undated subordinated notes	(8,955)	(9,747)	(9,095)
Interest of deeply & undated subordinated notes, issue premium amortisation <sup>(1)</sup>	(45)	(19)	(21)
Book value of own shares in trading portfolio	97	96	36
<b>Net Asset Value</b>	<b>58,543</b>	<b>57,159</b>	<b>56,895</b>
Goodwill <sup>(2)</sup>	(4,178)	(4,143)	(4,008)
Intangible Assets	(2,895)	(2,917)	(2,954)
<b>Net Tangible Asset Value</b>	<b>51,471</b>	<b>50,099</b>	<b>49,933</b>
Number of shares used to calculate NAPS <sup>(3)</sup>	796,498	787,442	796,244
Net Asset Value per Share	73.5	72.6	71.5
Net Tangible Asset Value per Share	64.6	63.6	62.7

## 7 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 44 of Societe Generale's 2024 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE.

The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	9M 24	H1 24	2023
Existing shares	802,314	802,980	818,008
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	4,548	4,791	6,802
Other own shares and treasury shares	2,930	3,907	11,891
<b>Number of shares used to calculate EPS<sup>(4)</sup></b>	<b>794,836</b>	<b>794,282</b>	<b>799,315</b>
Group net Income (in EUR m)	3,160	1,793	2,493
Interest on deeply subordinated notes and undated subordinated notes (in EUR m)	(521)	(356)	(759)
<b>Adjusted Group net income (in EUR m)</b>	<b>2,638</b>	<b>1,437</b>	<b>1,735</b>
<b>EPS (in EUR)</b>	<b>3.32</b>	<b>1.81</b>	<b>2.17</b>

**8 - The Societe Generale Group's Common Equity Tier 1 capital** is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

<sup>1</sup> Interest net of tax

<sup>2</sup> Excluding goodwill arising from non-controlling interests

<sup>3</sup> The number of shares considered is the number of ordinary shares outstanding at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group (expressed in thousand of shares)

<sup>4</sup> The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

## 9 – Funded balance sheet, loan to deposit ratio

**The funded balance sheet** is based on the Group financial statements. It is obtained in two steps:

- A first step aiming at reclassifying the items of the financial statements into aggregates allowing for a more economic reading of the balance sheet. Main reclassifications:  
Insurance: grouping of the accounting items related to insurance within a single aggregate in both assets and liabilities.  
Customer loans: include outstanding loans with customers (net of provisions and write-downs, including net lease financing outstanding and transactions at fair value through profit and loss); excludes financial assets reclassified under loans and receivables in accordance with the conditions stipulated by IFRS 9 (these positions have been reclassified in their original lines).  
Wholesale funding: Includes interbank liabilities and debt securities issued. Financing transactions have been allocated to medium/long-term resources and short-term resources based on the maturity of outstanding, more or less than one year.  
Reclassification under customer deposits of the share of issues placed by French Retail Banking networks (recorded in medium/long-term financing), and certain transactions carried out with counterparties equivalent to customer deposits (previously included in short term financing).  
Deduction from customer deposits and reintegration into short-term financing of certain transactions equivalent to market resources.
- A second step aiming at excluding the contribution of insurance subsidiaries, and netting derivatives, repurchase agreements, securities borrowing/lending, accruals and “due to central banks”.

The Group **loan/deposit ratio** is determined as the division of the customer loans by customer deposits as presented in the funded balance sheet.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale’s website [www.societegenerale.com](http://www.societegenerale.com) in the “Investor” section.

### Societe Generale

Societe Generale is a top tier European Bank with more than 126,000 employees serving about 25 million clients in 65 countries across the world. We have been supporting the development of our economies for nearly 160 years, providing our corporate, institutional, and individual clients with a wide array of value-added advisory and financial solutions. Our long-lasting and trusted relationships with the clients, our cutting-edge expertise, our unique innovation, our ESG capabilities and leading franchises are part of our DNA and serve our most essential objective - to deliver sustainable value creation for all our stakeholders.

The Group runs three complementary sets of businesses, embedding ESG offerings for all its clients:

- **French Retail, Private Banking and Insurance**, with leading retail bank SG and insurance franchise, premium private banking services, and the leading digital bank BoursoBank.
- **Global Banking and Investor Solutions**, a top tier wholesale bank offering tailored-made solutions with distinctive global leadership in equity derivatives, structured finance and ESG.
- **Mobility, International Retail Banking and Financial Services**, comprising well-established universal banks (in Czech Republic, Romania and several African countries), Ayvens (the new ALD I LeasePlan brand), a global player in sustainable mobility, as well as specialized financing activities.

Committed to building together with its clients a better and sustainable future, Societe Generale aims to be a leading partner in the environmental transition and sustainability overall. The Group is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).

For more information, you can follow us on Twitter/X [@societegenerale](https://twitter.com/societegenerale) or visit our website [societegenerale.com](http://societegenerale.com). or visit our website [societegenerale.com](http://societegenerale.com).

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