

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 March 31, 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: 001-35551



Meta Platforms, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	20-1665019 (I.R.S. Employer Identification Number)
1 Meta Way, Menlo Park, California 94025 (Address of principal executive offices and Zip Code)	
(650) 543-4800 (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
Class A Common Stock, \$0.000006 par value	META	The Nasdaq Stock Market LLC

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Number of Shares Outstanding
Class A Common Stock \$0.000006 par value	2,191,446,233 shares outstanding as of April 19, 2024
Class B Common Stock \$0.000006 par value	345,087,958 shares outstanding as of April 19, 2024

Meta Platforms, Inc.
Form 10-Q
For the Quarterly Period Ended March 31, 2024

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NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

Unless expressly indicated or the context requires otherwise, the terms "Meta," "company," "we," "us," and "our" in this document refer to Meta Platforms, Inc., a Delaware corporation, and, where appropriate, its subsidiaries. The term "Family" refers to our Facebook, Instagram, Messenger, and WhatsApp products. For references to accessing Meta's products on the "web" or via a "website," such terms refer to accessing such products on personal computers. For references to accessing Meta's products on "mobile," such term refers to accessing such products via a mobile application or via a mobile-optimized version of our websites such as m.facebook.com, whether on a mobile phone or tablet.

LIMITATIONS OF KEY METRICS AND OTHER DATA

Family Metrics

The numbers for our key metrics are calculated using internal company data based on the activity of user accounts. We report our estimates of the numbers of our daily active people (DAP) and average revenue per person (ARPP) (collectively, our "Family metrics") based on the activity of users who visited at least one of Facebook, Instagram, Messenger, and WhatsApp (collectively, our "Family" of products) during the applicable period of measurement.

While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring usage of our products across large online and mobile populations around the world. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. In addition, we are continually seeking to improve our estimates of our user base, and such estimates may change due to improvements or changes in our methodology. We regularly review our processes for calculating these metrics, and from time to time we discover inaccuracies in our metrics or make adjustments to improve their accuracy, which can result in adjustments to our historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments. We generally do not intend to update previously disclosed Family metrics for any such inaccuracies or adjustments that are within the error margins disclosed below.

In addition, our Family metrics estimates will differ from estimates published by third parties due to differences in methodology or other factors such as data limitations or other challenges in measuring large online and mobile populations. For example, our methodologies include measurements of our user base that have in some instances exceeded estimates of addressable online and mobile populations that are based on data published by third parties.

Many people in our community have user accounts on more than one of our products, and some people have multiple user accounts within an individual product. Accordingly, for our Family metrics, we do not seek to count the total number of user accounts across our products because we believe that would not reflect the actual size of our community. Rather, our Family metrics represent our estimates of the number of unique people using at least one of Facebook, Instagram, Messenger, and WhatsApp. We do not require people to use a common identifier or link their accounts to use multiple products in our Family, and therefore must seek to attribute multiple user accounts within and across products to individual people. To calculate these metrics, we rely upon complex techniques, algorithms and machine learning models that seek to count the individual people behind user accounts, including by matching multiple user accounts within an individual product and across multiple products when we believe they are attributable to a single person, and counting such group of accounts as one person. These techniques and models require significant judgment, are subject to data and other limitations discussed below, and inherently are subject to statistical variances and uncertainties. We estimate the potential error in our Family metrics primarily based on user survey data as described further below, which itself is subject to error as well. While we expect the error margin for our Family metrics to vary from period to period, we estimate that such margin generally will be approximately 3% of our worldwide DAP. At our scale, it is very difficult to attribute multiple user accounts within and across products to individual people, and it is possible that the actual numbers of unique people using our products may vary significantly from our estimates, potentially beyond our estimated error margins. As a result, it is also possible that our Family metrics may indicate changes or trends in user numbers that do not match actual changes or trends.

To calculate our estimates of DAP, we currently use a series of machine learning models that are developed based on internal reviews of limited samples of user accounts and calibrated against user survey data. We apply significant judgment in designing these models and calculating these estimates. For example, to match user accounts within individual products and across multiple products, we use data signals such as similar device information, IP addresses, and user names. We also calibrate our models against data from periodic user surveys of varying sizes and frequency across our products, which survey questions are based on monthly usage, and which are inherently subject to error. The timing and results of such user surveys have in the past contributed, and may in the future contribute, to changes in our reported Family metrics from period to period. In addition, our data limitations may affect our understanding of certain details of our business and increase the risk of error for our Family metrics estimates. Our techniques and models rely on a variety of data signals from different products, and we rely on more limited data signals for some products compared to others. For example, as a result of limited visibility into encrypted products, we have fewer data signals from WhatsApp user accounts and primarily rely on phone numbers and device information to match WhatsApp user accounts with accounts on our other products. Any loss of access to data signals

we use in our process for calculating Family metrics, whether as a result of our own product decisions, actions by third-party browser or mobile platforms, regulatory or legislative requirements, or other factors, also may impact the stability or accuracy of our reported Family metrics, as well as our ability to report these metrics at all. Our estimates of Family metrics also may change as our methodologies evolve, including through the application of new data signals or technologies, product changes, or other improvements in our user surveys, algorithms, or machine learning that may improve our ability to match accounts within and across our products or otherwise evaluate the broad population of our users. In addition, such evolution may allow us to identify previously undetected violating accounts (as defined below).

We regularly evaluate our Family metrics to estimate the percentage of our DAP consisting solely of "violating" accounts. We define "violating" accounts as accounts which we believe are intended to be used for purposes that violate our terms of service, including bots and spam. In the first quarter of 2024, we estimated that less than 3% of our worldwide DAP consisted solely of violating accounts. Such estimation is based on an internal review of a limited sample of accounts, and we apply significant judgment in making this determination. For example, we look for account information and behaviors associated with Facebook and Instagram accounts that appear to be inauthentic to the reviewers, but we have limited visibility into WhatsApp user activity due to encryption. In addition, if we believe an individual person has one or more violating accounts, we do not include such person in our violating accounts estimation as long as we believe they have one account that does not constitute a violating account. From time to time, we disable certain user accounts, make product changes, or take other actions to reduce the number of violating accounts among our users, which may also reduce our DAP estimates in a particular period. We intend to disclose our estimates of the percentage of our DAP consisting solely of violating accounts on an annual basis in our Annual Report on Form 10-K. Violating accounts are very difficult to measure at our scale, and it is possible that the actual number of violating accounts may vary significantly from our estimates.

User Geography

Our estimates for revenue by user location, as well as year-over-year percentage changes in ad impressions delivered and the average price per ad by user location, are also affected by data limitations and other challenges in measuring user geography. Our data regarding the geographic location of our users is estimated based on a number of factors, such as the user's IP address and self-disclosed location. These factors may not always accurately reflect the user's actual location. For example, a user may appear to be accessing our products from the location of the proxy server that the user connects to rather than from the user's actual location. The methodologies used to measure our metrics are also susceptible to algorithm or other technical errors.

PART I—FINANCIAL INFORMATION
Item 1. Financial Statements

META PLATFORMS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except for number of shares and par value)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 32,307	\$ 41,862
Marketable securities	25,813	23,541
Accounts receivable, net	13,430	16,169
Prepaid expenses and other current assets	3,780	3,793
Total current assets	75,330	85,365
Non-marketable equity securities	6,218	6,141
Property and equipment, net	98,908	96,587
Operating lease right-of-use assets	13,555	13,294
Goodwill	20,654	20,654
Other assets	8,179	7,582
Total assets	\$ 222,844	\$ 229,623
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 3,785	\$ 4,849
Operating lease liabilities, current	1,676	1,623
Accrued expenses and other current liabilities	22,640	25,488
Total current liabilities	28,101	31,960
Operating lease liabilities, non-current	17,570	17,226
Long-term debt	18,387	18,385
Long-term income taxes	7,795	7,514
Other liabilities	1,462	1,370
Total liabilities	73,315	76,455
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.000006 par value; 5,000 million Class A shares authorized, 2,192 million and 2,211 million shares issued and outstanding, as of March 31, 2024 and December 31, 2023, respectively; 4,141 million Class B shares authorized, 345 million and 350 million shares issued and outstanding, as of March 31, 2024 and December 31, 2023, respectively	—	—
Additional paid-in capital	75,391	73,253
Accumulated other comprehensive loss	(2,655)	(2,155)
Retained earnings	76,793	82,070
Total stockholders' equity	149,529	153,168
Total liabilities and stockholders' equity	\$ 222,844	\$ 229,623

See Accompanying Notes to Condensed Consolidated Financial Statements.

META PLATFORMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 36,455	\$ 28,645
Costs and expenses:		
Cost of revenue	6,640	6,108
Research and development	9,978	9,381
Marketing and sales	2,564	3,044
General and administrative	3,455	2,885
Total costs and expenses	22,637	21,418
Income from operations	13,818	7,227
Interest and other income, net	365	80
Income before provision for income taxes	14,183	7,307
Provision for income taxes	1,814	1,598
Net income	\$ 12,369	\$ 5,709
Earnings per share:		
Basic	\$ 4.86	\$ 2.21
Diluted	\$ 4.71	\$ 2.20
Weighted-average shares used to compute earnings per share:		
Basic	2,545	2,587
Diluted	2,625	2,596

See Accompanying Notes to Condensed Consolidated Financial Statements.

META PLATFORMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Net income	\$ 12,369	\$ 5,709
Other comprehensive income (loss):		
Change in foreign currency translation adjustment, net of tax	(545)	248
Change in unrealized gain (loss) on available-for-sale investments and other, net of tax	45	301
Comprehensive income	<u>\$ 11,869</u>	<u>\$ 6,258</u>

See Accompanying Notes to Condensed Consolidated Financial Statements.

META PLATFORMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In millions)
(Unaudited)

	Three Months Ended March 31, 2024						Three Months Ended March 31, 2023					
	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity	Class A and Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
	Shares	Par Value					Shares	Par Value				
Balances at beginning of period	2,561	\$ —	\$ 73,253	\$ (2,155)	\$ 82,070	\$ 153,168	2,614	\$ —	\$ 64,444	\$ (3,530)	\$ 64,799	\$ 125,713
Issuance of common stock	16	—	—	—	—	—	14	—	—	—	—	—
Shares withheld related to net share settlement	(6)	—	(1,424)	—	(1,738)	(3,162)	(6)	—	(960)	—	(49)	(1,009)
Share-based compensation	—	—	3,562	—	—	3,562	—	—	3,051	—	—	3,051
Share repurchases	(34)	—	—	—	(14,635)	(14,635)	(56)	—	—	—	(9,218)	(9,218)
Dividends declared	—	—	—	—	(1,273)	(1,273)	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	(500)	—	(500)	—	—	—	549	—	549
Net income	—	—	—	—	12,369	12,369	—	—	—	—	5,709	5,709
Balances at end of period	<u>2,537</u>	<u>\$ —</u>	<u>\$ 75,391</u>	<u>\$ (2,655)</u>	<u>\$ 76,793</u>	<u>\$ 149,529</u>	<u>2,566</u>	<u>\$ —</u>	<u>\$ 66,535</u>	<u>\$ (2,981)</u>	<u>\$ 61,241</u>	<u>\$ 124,795</u>

See Accompanying Notes to Condensed Consolidated Financial Statements.

META PLATFORMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Cash flows from operating activities		
Net income	\$ 12,369	\$ 5,709
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,374	2,524
Share-based compensation	3,562	3,051
Deferred income taxes	(456)	(620)
Impairment charges for facilities consolidation, net	240	770
Other	(66)	(7)
Changes in assets and liabilities:		
Accounts receivable	2,520	2,546
Prepaid expenses and other current assets	100	821
Other assets	(94)	30
Accounts payable	(1,112)	(1,104)
Accrued expenses and other current liabilities	(1,274)	94
Other liabilities	83	184
Net cash provided by operating activities	19,246	13,998
Cash flows from investing activities		
Purchases of property and equipment, net	(6,400)	(6,823)
Purchases of marketable debt securities	(6,887)	(85)
Sales and maturities of marketable debt securities	4,625	534
Acquisitions of businesses and intangible assets	(72)	(444)
Other investing activities	—	75
Net cash used in investing activities	(8,734)	(6,743)
Cash flows from financing activities		
Taxes paid related to net share settlement of equity awards	(3,162)	(1,009)
Repurchases of Class A common stock	(15,008)	(9,365)
Dividends payments	(1,273)	—
Principal payments on finance leases	(315)	(264)
Other financing activities	(9)	122
Net cash used in financing activities	(19,767)	(10,516)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(288)	85
Net decrease in cash, cash equivalents, and restricted cash	(9,543)	(3,176)
Cash, cash equivalents, and restricted cash at beginning of the period	42,827	15,596
Cash, cash equivalents, and restricted cash at end of the period	\$ 33,284	\$ 12,420
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
Cash and cash equivalents	\$ 32,307	\$ 11,551
Restricted cash, included in prepaid expenses and other current assets	84	224
Restricted cash, included in other assets	893	645
Total cash, cash equivalents, and restricted cash	\$ 33,284	\$ 12,420

See Accompanying Notes to Condensed Consolidated Financial Statements.

META PLATFORMS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Supplemental cash flow data		
Cash paid for income taxes, net	\$ 630	\$ 405
Cash paid for interest, net of amounts capitalized	\$ 121	\$ 182
Non-cash investing and financing activities:		
Property and equipment in accounts payable and accrued expenses and other current liabilities	\$ 4,217	\$ 4,466
Acquisition of businesses in accrued expenses and other current liabilities and other liabilities	\$ 116	\$ 263

See Accompanying Notes to Condensed Consolidated Financial Statements.

META PLATFORMS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (GAAP) and applicable rules and regulations of the Securities and Exchange Commission regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this quarterly report on Form 10-Q should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2023.

The condensed consolidated balance sheet as of December 31, 2023 included herein was derived from the audited financial statements as of that date, but does not include all disclosures including notes required by GAAP.

The condensed consolidated financial statements include the accounts of Meta Platforms, Inc., its subsidiaries where we have controlling financial interests, and any variable interest entities for which we are deemed to be the primary beneficiary. All intercompany balances and transactions have been eliminated.

The accompanying condensed consolidated financial statements reflect all normal recurring adjustments that are necessary to present fairly the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year ending December 31, 2024.

Balance Sheets Reclassifications

Certain prior period amounts on the condensed consolidated balance sheets have been reclassified to conform to current period presentation.

- Intangible assets, net was reclassified into other assets
- Partners payable was reclassified into accrued expenses and other current liabilities
- Long-term income taxes was reclassified out of other liabilities

These reclassifications had no impact on our previously reported total assets, total liabilities, revenue, income from operations, net income or cash flows.

Use of Estimates

Preparation of condensed consolidated financial statements in conformity with GAAP requires the use of estimates and judgments that affect the reported amounts in the condensed consolidated financial statements and accompanying notes. These estimates form the basis for judgments we make about the carrying values of our assets and liabilities, which are not readily apparent from other sources. We base our estimates and judgments on historical information and on various other assumptions that we believe are reasonable under the circumstances. GAAP requires us to make estimates and judgments in several areas, including, but not limited to, those related to loss contingencies, income taxes, valuation of long-lived assets and their associated estimated useful lives, valuation of non-marketable equity securities, revenue recognition, valuation of goodwill, credit losses of available-for-sale debt securities and accounts receivable, and fair value of financial instruments and leases. These estimates are based on management's knowledge about current events, interpretation of regulations, and expectations about actions we may undertake in the future. Actual results could differ materially from those estimates.

Significant Accounting Policies

There have been no material changes to our significant accounting policies from our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Note 2. Revenue

Revenue disaggregated by revenue source and by segment consists of the following (in millions):

	Three Months Ended March 31,	
	2024	2023
Advertising	\$ 35,635	\$ 28,101
Other revenue	380	205
Family of Apps	36,015	28,306
Reality Labs	440	339
Total revenue	\$ 36,455	\$ 28,645

Revenue disaggregated by geography, based on the addresses of our customers, consists of the following (in millions):

	Three Months Ended March 31,	
	2024	2023
United States and Canada	\$ 13,646	\$ 11,449
Europe ⁽¹⁾	8,404	6,759
Asia-Pacific	10,312	7,292
Rest of World	4,093	3,145
Total revenue	\$ 36,455	\$ 28,645

(1) Europe includes Russia and Turkey, and Rest of World includes Africa, Latin America, and the Middle East.

Our total deferred revenue was \$645 million and \$675 million as of March 31, 2024 and December 31, 2023, respectively. As of March 31, 2024, we expect \$599 million of our deferred revenue to be realized in less than a year.

Note 3. Restructuring

2022 Restructuring

In 2022, we initiated several measures to pursue greater efficiency and to realign our business and strategic priorities. These measures included a facilities consolidation strategy to sublease, early terminate, or abandon several office buildings under operating leases, a layoff of approximately 11,000 employees across the Family of Apps (FoA) and Reality Labs (RL) segments, and a pivot towards a next generation data center design, including cancellation of multiple data center projects (the 2022 Restructuring). We completed the data center initiatives and employee layoff in 2023. As of March 31, 2024, we have substantially completed the facilities consolidation initiatives.

A summary of our 2022 Restructuring pre-tax charges, including subsequent adjustments, is as follows (in millions):

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023			
	Facilities Consolidation	Facilities Consolidation	Severance and Other Personnel Costs	Data Center Assets ⁽¹⁾	Total
Cost of revenue	\$ 20	\$ 58	\$ —	\$ (168)	\$ (110)
Research and development	159	484	(4)	—	480
Marketing and sales	35	136	(2)	—	134
General and administrative	32	129	(12)	—	117
Total	\$ 246	\$ 807	\$ (18)	\$ (168)	\$ 621

(1) Relates to a change in estimate in our data center restructuring charges recorded during 2022.

	Plan to Date			
	Facilities Consolidation	Severance and Other Personnel Costs	Data Center Assets	Total
Cost of revenue	\$ 351	\$ —	\$ 1,116	\$ 1,467
Research and development	3,051	399	—	3,450
Marketing and sales	835	233	—	1,068
General and administrative	810	316	—	1,126
Total	\$ 5,047	\$ 948	\$ 1,116	\$ 7,111

The 2022 Restructuring charges recorded to date under our FoA segment were \$6.03 billion, and RL segment were \$1.08 billion.

Note 4. Earnings per Share

The holders of our Class A and Class B common stock (together, "common stock") have identical liquidation and dividend rights but different voting rights. Accordingly, we present the earnings per share (EPS) for Class A and Class B common stock together.

Basic EPS is computed by dividing net income by the weighted-average number of shares of our Class A and Class B common stock outstanding. Diluted EPS is computed by dividing the net income by the weighted-average number of fully diluted common stock outstanding and assumes the conversion of our Class B common stock to Class A common stock.

For the three months ended March 31, 2024 and 2023, 5 million and 86 million shares of Class A common stock equivalents of restricted stock units (RSUs) were excluded from the diluted EPS calculation, respectively, as including them would have an anti-dilutive effect.

The numerators and denominators of the basic and diluted EPS computations for our common stock are calculated as follows (in millions, except per share amounts):

	Three Months Ended March 31,	
	2024	2023 ⁽²⁾
Basic EPS:		
Numerator		
Distributed earnings	\$ 1,273	\$ —
Undistributed earnings	11,096	5,709
Net income	\$ 12,369	\$ 5,709
Denominator		
Shares used in computation of basic EPS ⁽¹⁾	2,545	2,587
Basic EPS	\$ 4.86	\$ 2.21
Diluted EPS:		
Numerator		
Net income for diluted EPS	\$ 12,369	\$ 5,709
Denominator		
Shares used in computation of basic EPS	2,545	2,587
Weighted-average effect of dilutive RSUs	80	9
Shares used in computation of diluted EPS	2,625	2,596
Diluted EPS	\$ 4.71	\$ 2.20

(1) Include 2,197 million and 2,223 million shares of Class A common stock and 348 million and 364 million shares of Class B common stock, for the three months ended March 31, 2024 and 2023, respectively.

(2) The prior period EPS for Class A and Class B has been presented together to conform with current period presentation, which had no impact on our previously reported basic or diluted EPS.

For the three months ended March 31, 2024, distributed earnings through dividends was \$0.50 per share for each share of common stock, totaling to \$1.10 billion and \$174 million for Class A and Class B common stock, respectively. EPS for Class B common stock is not presented separately as under the two-class method Class A and Class B EPS is not meaningfully different.

Note 5. Financial Instruments

Fair Value Measurements

We classify our cash equivalents and marketable debt securities within Level 1 or Level 2 because we use quoted market prices or alternative pricing sources and models utilizing market observable inputs to determine their fair value. Certain other assets are classified within Level 3 because factors used to develop the estimated fair value are unobservable inputs that are not supported by market activity.

The following tables summarize our assets measured at fair value on a recurring basis and the classification by level of input within the fair value hierarchy (in millions):

Description	March 31, 2024	Fair Value Measurement at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 6,495			
Cash equivalents:				
Money market funds	24,465	\$ 24,465	\$ —	\$ —
U.S. government and agency securities	808	808	—	—
Time deposits	350	—	350	—
Corporate debt securities	189	—	189	—
Total cash and cash equivalents	32,307	25,273	539	—
Marketable securities:				
U.S. government securities	10,345	10,345	—	—
U.S. government agency securities	3,468	3,468	—	—
Corporate debt securities	12,000	—	12,000	—
Total marketable securities	25,813	13,813	12,000	—
Restricted cash equivalents	858	858	—	—
Other assets	101	—	—	101
Total	\$ 59,079	\$ 39,944	\$ 12,539	\$ 101

Description	December 31, 2023	Fair Value Measurement at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash	\$ 6,265			
Cash equivalents:				
Money market funds	32,910	\$ 32,910	\$ —	\$ —
U.S. government and agency securities	2,206	2,206	—	—
Time deposits	261	—	261	—
Corporate debt securities	220	—	220	—
Total cash and cash equivalents	41,862	35,116	481	—
Marketable securities:				
U.S. government securities	8,439	8,439	—	—
U.S. government agency securities	3,498	3,498	—	—
Corporate debt securities	11,604	—	11,604	—
Total marketable securities	23,541	11,937	11,604	—
Restricted cash equivalents	857	857	—	—
Other assets	101	—	—	101
Total	\$ 66,361	\$ 47,910	\$ 12,085	\$ 101

Unrealized Losses

The following tables summarize our available-for-sale marketable debt securities and cash equivalents with unrealized losses as of March 31, 2024 and December 31, 2023, aggregated by major security type and the length of time that individual securities have been in a continuous loss position (in millions):

	March 31, 2024					
	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government securities	\$ 3,098	\$ (11)	\$ 5,825	\$ (278)	\$ 8,923	\$ (289)
U.S. government agency securities	447	(1)	3,108	(146)	3,555	(147)
Corporate debt securities	882	(4)	9,302	(450)	10,184	(454)
Total	\$ 4,427	\$ (16)	\$ 18,235	\$ (874)	\$ 22,662	\$ (890)

	December 31, 2023					
	Less than 12 months		12 months or greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government securities	\$ 336	\$ (1)	\$ 7,041	\$ (275)	\$ 7,377	\$ (276)
U.S. government agency securities	71	—	3,225	(164)	3,296	(164)
Corporate debt securities	647	(3)	10,125	(491)	10,772	(494)
Total	\$ 1,054	\$ (4)	\$ 20,391	\$ (930)	\$ 21,445	\$ (934)

The allowance for credit losses and the gross unrealized gains on our marketable debt securities were not material as of March 31, 2024 and December 31, 2023.

Contractual Maturities

The following table classifies our marketable debt securities by contractual maturities (in millions):

	March 31, 2024
Due within one year	\$ 7,965
Due after one year to five years	17,848
Total	<u>\$ 25,813</u>

Instruments Measured at Fair Value on Non-recurring Basis

Our non-marketable equity securities accounted for using the measurement alternative are measured at fair value on a non-recurring basis and are classified within Level 3 of the fair value hierarchy because we use significant unobservable inputs to estimate their fair value. Assets remeasured at fair value on a non-recurring basis within Level 3 during the three months ended March 31, 2024 and 2023 were \$154 million and \$119 million, respectively.

Note 6. Non-marketable Equity Securities

Our non-marketable equity securities are investments in privately-held companies without readily determinable fair values. The following table summarizes our non-marketable equity securities that were measured using measurement alternative and equity method (in millions):

	March 31, 2024	December 31, 2023
Non-marketable equity securities under measurement alternative:		
Initial cost	\$ 6,390	\$ 6,389
Cumulative upward adjustments	394	293
Cumulative impairment/downward adjustments	(623)	(599)
Carrying value	<u>6,161</u>	<u>6,083</u>
Non-marketable equity securities under equity method	57	58
Total	<u>\$ 6,218</u>	<u>\$ 6,141</u>

Note 7. Property and Equipment

Property and equipment, net consists of the following (in millions):

	March 31, 2024	December 31, 2023
Land	\$ 2,075	\$ 2,080
Servers and network assets	51,882	46,838
Buildings	39,322	37,961
Leasehold improvements	7,079	6,972
Equipment and other	7,162	7,416
Finance lease right-of-use assets	4,323	4,185
Construction in progress	<u>22,975</u>	<u>24,269</u>
Property and equipment, gross	134,818	129,721
Less: Accumulated depreciation	<u>(35,910)</u>	<u>(33,134)</u>
Property and equipment, net	<u>\$ 98,908</u>	<u>\$ 96,587</u>

Construction in progress includes costs mostly related to construction of data centers, network infrastructure and servers. Depreciation expense on property and equipment was \$3.33 billion and \$2.48 billion for the three months ended March 31, 2024 and 2023, respectively. Within property and equipment, our servers and network assets depreciation expenses were \$2.35 billion and \$1.51 billion for the three months ended March 31, 2024 and 2023, respectively.

Note 8. Leases

The components of operating lease costs and supplemental lease information are as follows (in millions):

	Three Months Ended March 31,	
	2024	2023
Lease cost:		
Operating lease cost	\$ 534	\$ 557
Variable lease cost and other, net	\$ 196	\$ 124
Supplemental lease information:		
Operating cash flows for operating leases	\$ 709	\$ 478
Operating lease liabilities arising from obtaining right-of-use assets	\$ 908	\$ 1,282

We also recorded impairment losses for operating lease right-of-use assets as a part of our facilities consolidation restructuring efforts of \$242 million and \$673 million for the three months ended March 31, 2024 and 2023, respectively. For additional information, see Note 3 — Restructuring.

As of March 31, 2024, future undiscounted lease payments under operating leases was \$24.19 billion, with a weighted average remaining lease term of 11.5 years. As of March 31, 2024, we have additional operating leases, that have not yet commenced, with lease obligations of approximately \$6.17 billion mostly for data centers and colocations. These operating leases will commence between the remainder of 2024 and 2029 with lease terms of greater than one year to 25 years. Finance lease costs were not material for the periods presented.

Note 9. Goodwill and Intangible Assets

As of March 31, 2024 and December 31, 2023, the total carrying amount of goodwill was \$20.65 billion, of which \$19.25 billion was allocated to our FoA segment and \$1.41 billion was allocated to our RL segment.

The following table sets forth the major categories of the intangible assets and their weighted-average remaining useful lives (in millions):

	March 31, 2024				December 31, 2023		
	Weighted-Average Remaining Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired technology	4.4	\$ 504	\$ (211)	\$ 293	\$ 478	\$ (182)	\$ 296
Acquired patents	3.6	346	(238)	108	287	(233)	54
Other	3.1	5	(2)	3	28	(15)	13
Total finite-lived assets		855	(451)	404	793	(430)	363
Total indefinite-lived assets	N/A	425	—	425	425	—	425
Total intangible assets		\$ 1,280	\$ (451)	\$ 829	\$ 1,218	\$ (430)	\$ 788

Note 10. Long-term Debt

The carrying amount of our long-term debt in the form of senior unsecured notes (the Notes) was \$18.39 billion as of March 31, 2024 and December 31, 2023. The total estimated fair value of the Notes was \$18.06 billion and \$18.48 billion as of March 31, 2024 and December 31, 2023, respectively. The fair value was determined based on the quoted prices for the Notes as of March 31, 2024 and December 31, 2023, respectively, and is categorized accordingly as Level 2 in the fair value hierarchy.

Note 11. Accrued Expenses and Other Current Liabilities

The components of accrued expenses and other current liabilities are as follows (in millions):

	March 31, 2024	December 31, 2023
Legal-related accruals ⁽¹⁾	\$ 7,791	\$ 6,592
Accrued compensation and benefits	3,333	6,659
Accrued taxes	4,863	3,655
Accrued property and equipment	1,744	2,213
Other current liabilities	4,909	6,369
Total	<u>\$ 22,640</u>	<u>\$ 25,488</u>

(1) Includes accruals for estimated fines, settlements, or other losses in connection with legal and related matters, as well as other legal fees. For further information, see *Legal and Related Matters* in Note 12 — Commitments and Contingencies.

Note 12. Commitments and Contingencies

Contractual Commitments

We have \$15.34 billion of non-cancelable contractual commitments as of March 31, 2024, which are primarily related to our investments in servers, network infrastructure, and consumer hardware products in Reality Labs. The following is a schedule, by years, of non-cancelable contractual commitments as of March 31, 2024 (in millions):

The remainder of 2024	\$ 10,563
2025	1,022
2026	548
2027	353
2028	182
Thereafter	2,667
Total	<u>\$ 15,335</u>

Additionally, as part of the normal course of business, we have entered into multi-year agreements to purchase renewable energy that do not specify a fixed or minimum volume commitment. We enter into these agreements in order to secure the price. Using the expected volume consumption, the total estimated spend related to our renewable energy agreements as of March 31, 2024 is approximately \$15.92 billion, a majority of which is due beyond five years. The ultimate spend under these agreements may vary and will be based on actual volume purchased.

Legal and Related Matters

With respect to the cases, actions, and inquiries described below, we evaluate the associated developments on a regular basis and accrue a liability when we believe a loss is probable and the amount can be reasonably estimated. In addition, we believe there is a reasonable possibility that we may incur a loss in some of these matters. Unless otherwise noted, with respect to the matters described below that do not include an estimate of the amount of loss or range of possible loss, such losses or range of possible losses either cannot be estimated or are not individually material, but we believe there is a reasonable possibility that they may be material in the aggregate.

We are also party to various other legal proceedings, claims, and regulatory, tax or government inquiries and investigations that arise in the ordinary course of business. Additionally, we are required to comply with various legal and regulatory obligations around the world. The requirements for complying with these obligations may be uncertain and subject to interpretation and enforcement by regulatory and other authorities, and any failure to comply with such obligations could eventually lead to asserted legal or regulatory action. With respect to these other legal proceedings, claims, regulatory, tax, or government inquiries and investigations, and other matters, asserted and unasserted, we evaluate the associated developments on a regular basis and accrue a liability when we believe a loss is probable and the amount can be reasonably estimated. In addition, we believe there is a reasonable possibility that we may incur a loss in some of these other matters. We believe that

the amount of losses or any estimable range of possible losses with respect to these other matters will not, either individually or in the aggregate, have a material adverse effect on our business and condensed consolidated financial statements.

The ultimate outcome of the legal and related matters described in this section, such as whether the likelihood of loss is remote, reasonably possible, or probable, or if and when the reasonably possible range of loss is estimable, is inherently uncertain. Therefore, if one or more of these matters were resolved against us for amounts in excess of management's estimates of loss, our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected.

For information regarding income tax contingencies, see Note 14 — Income Taxes.

Privacy and Related Matters

Beginning on March 20, 2018, multiple putative class actions were filed in state and federal courts in the United States and elsewhere against us and certain of our directors and officers alleging various causes of action in connection with our platform and user data practices as well as the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies, and seeking unspecified damages and injunctive relief. With respect to the putative class actions alleging fraud and violations of consumer protection, privacy, and other laws in connection with the same matters, several of the cases brought on behalf of consumers in the United States were consolidated in the U.S. District Court for the Northern District of California (*In re Facebook, Inc., Consumer Privacy User Profile Litigation*). On September 9, 2019, the court granted, in part, and denied, in part, our motion to dismiss the consolidated putative consumer class action. On December 22, 2022, the parties entered into a settlement agreement to resolve the lawsuit, which provides for a payment of \$725 million by us. The settlement was approved by the court on October 10, 2023, and the payment was made in November 2023. In addition, our platform and user data practices, as well as the events surrounding the misuse of certain data by a developer, became the subject of U.S. Federal Trade Commission (FTC), state attorneys general, and other government inquiries in the United States, Europe, and other jurisdictions. We entered into a settlement and modified consent order to resolve the FTC inquiry, which took effect in April 2020. Among other matters, our settlement with the FTC required us to pay a penalty of \$5.0 billion which was paid in April 2020 upon the effectiveness of the modified consent order. The state attorneys general inquiry and certain government inquiries in other jurisdictions remain ongoing. On July 16, 2021, a stockholder derivative action was filed in Delaware Court of Chancery against certain of our directors and officers asserting breach of fiduciary duty and related claims relating to our historical platform and user data practices, as well as our settlement with the FTC. On July 20, 2021, other stockholders filed an amended derivative complaint in a related Delaware Chancery Court action, asserting breach of fiduciary duty and related claims against certain of our current and former directors and officers in connection with our historical platform and user data practices. On November 4, 2021, the lead plaintiffs filed a second amended and consolidated complaint in the stockholder derivative action. The pending consolidated matter is *In re Facebook Inc. Derivative Litigation*. On January 19, 2022, we filed a motion to dismiss, which was denied in part on May 10, 2023. The insider trading claim was dismissed as to all defendants except Mark Zuckerberg, and the motion was denied as to the breach of fiduciary duty claims.

On May 3, 2023, the FTC filed a public administrative proceeding (*In the Matter of Facebook, Inc.*) seeking substantial changes to the modified consent order, which took effect in April 2020 after its entry by the U.S. District Court for the District of Columbia. The changes sought by the FTC are set forth in a proposed order and include, among others, a prohibition on our use of minors' data for any commercial purposes, changes to the composition of our board of directors, and significant limitations on our ability to modify and launch new products. On May 31, 2023, we filed a motion before the U.S. District Court for the District of Columbia (*USA v. Facebook, Inc.*) seeking to enjoin the FTC from further pursuing its agency process to modify the modified consent order. On November 27, 2023, the district court denied our motion, and we then appealed to the U.S. Court of Appeals for the District of Columbia Circuit (*U.S. v. Facebook, Inc.*) and sought to stay the FTC proceeding pending resolution of the appeal. On January 12, 2024, the district court denied our motion for a stay pending appeal. We subsequently filed a motion for a stay pending appeal with the U.S. Court of Appeals for the District of Columbia, which the appellate court denied on March 12, 2024. We will be briefing the underlying appeal in spring and summer 2024.

On November 29, 2023, we separately filed a complaint, also in the U.S. District Court for the District of Columbia (*Meta Platforms, Inc. v. FTC*), asserting constitutional challenges to the structure of the FTC, and seeking to preliminarily enjoin the FTC proceeding during the pendency of the litigation. On December 13, 2023, the U.S. Department of Justice (DOJ) filed an opposition to our motion for preliminary injunction and a motion to dismiss the complaint. On March 14, 2024, the district court denied our motion to preliminarily enjoin the FTC proceeding during the pendency of the litigation,

and also denied the DOJ's motion to dismiss our complaint. We appealed the denial of our motion for a preliminary injunction to the U.S. Circuit Court of Appeals for the District of Columbia and sought to stay the FTC proceeding pending resolution of the appeal. The D.C. Circuit denied the stay motion on March 29, 2024. On April 1, 2024, we filed our response to the FTC's Order to Show Cause. Through the administrative process, the FTC could amend the order to impose the additional requirements set forth in the proposed order. We should have the opportunity to appeal an FTC decision modifying the order and could request the appellate court to stay the enforcement of the modifications to the order while the appeal is pending. It is unclear whether the appeal or the request for a stay would be successful.

We also notify the Irish Data Protection Commission (IDPC), our lead European Union privacy regulator under the General Data Protection Regulation (GDPR), of certain other personal data breaches and privacy issues, and are subject to inquiries and investigations by the IDPC and other European regulators regarding various aspects of our regulatory compliance. For example, on May 12, 2023, the IDPC issued a Final Decision concluding that Meta Platforms Ireland's reliance on Standard Contractual Clauses in respect of certain transfers of European Economic Area (EEA) Facebook user data was not in compliance with the GDPR. The IDPC issued an administrative fine of EUR €1.2 billion as well as corrective orders, which is described further in "Legal Proceedings" contained in Part II, Item 1 of this Quarterly Report on Form 10-Q. The interpretation of the GDPR is still evolving, including through decisions of the Court of Justice of the European Union, and draft decisions in investigations by the IDPC are subject to review by other European privacy regulators as part of the GDPR's cooperation and consistency mechanisms, which may lead to significant changes in the final outcome of such investigations. As a result, the interpretation and enforcement of the GDPR, as well as the imposition and amount of penalties for non-compliance, are subject to significant uncertainty. Although we are vigorously defending our regulatory compliance, we have accrued significant amounts for loss contingencies related to these inquiries and investigations in Europe, and we believe there is a reasonable possibility that additional accruals for losses related to these matters could be material individually or in the aggregate.

On February 14, 2022, the State of Texas filed a lawsuit against us in Texas state court (*Texas v. Meta Platforms, Inc.*) alleging that "tag suggestions" and other uses of facial recognition technology violate the Texas Capture or Use of Biometric Identifiers Act (CUBI) and the Texas Deceptive Trade Practices-Consumer Protection Act (DTPA), and seeking statutory damages and injunctive relief. The State of Texas alleges that these purported violations relate to approximately 30 million Texans over a period of approximately eleven years and that there were multiple violations per person. While the existence and number of potential violations will be disputed, CUBI provides for penalties up to \$25,000 per violation, and the DTPA provides for penalties up to \$10,000 per violation. The State of Texas has not indicated the amount of penalties it intends to seek at trial, but the amount of penalties sought by the State will likely be material. On April 19, 2024, the State of Texas filed a motion for summary judgment. The case is currently scheduled for trial in June 2024. We intend to defend the company vigorously both with respect to whether the statutes were violated and also as to the number of, and appropriate penalties for, any potential violations. The CUBI statute was enacted over twenty years ago and has never been enforced before. Accordingly, there is little legal guidance regarding how it should be interpreted or how its penalty provisions should be applied. In addition to defending the company at trial, we intend to defend the company vigorously on appeal in the event of an adverse jury award, but the ultimate losses related to this matter could be material.

Beginning on June 7, 2021, multiple putative class actions were filed against us alleging that we improperly received individuals' information from third-party websites or apps via our business tools in violation of our terms and various state and federal laws and seeking unspecified damages and injunctive relief (for example, *In re Meta Pixel Healthcare Litigation*; *In re Meta Pixel Tax Filing Cases*; *Frasco v. Flo Health, Inc.*; *Doe v. Hey Favor, Inc. et al.*; *Doe v. GoodRx Holdings, Inc. et al.* in the U.S. District Court for the Northern District of California; and *Rickwalder, et al. v. Meta Platforms, Inc.* in the Santa Clara County Superior Court).

Competition

We are subject to various litigation and government inquiries and investigations, formal or informal, by competition authorities in the United States, Europe, and other jurisdictions. Such investigations, inquiries, and lawsuits concern, among other things, our business practices in the areas of social networking or social media services, digital advertising, and/or mobile or online applications, as well as our acquisitions. For example, in 2019 we became the subject of antitrust investigations by the FTC and DOJ. On December 9, 2020, the FTC filed a complaint (*FTC v. Meta Platforms, Inc.*) against us in the U.S. District Court for the District of Columbia alleging that we engaged in anticompetitive conduct and unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act and Section 2 of the Sherman Act, including by acquiring Instagram in 2012 and WhatsApp in 2014 and by maintaining conditions on access to our platform. The FTC sought a permanent injunction against our company's alleged violations of the antitrust laws, and other equitable relief, including divestiture or reconstruction of Instagram and WhatsApp. On June 28, 2021, the court granted our motion to dismiss the complaint filed by the FTC with leave to amend. On August 19, 2021, the FTC filed an amended complaint, and on October 4, 2021, we filed a motion to dismiss this amended complaint. On January 11, 2022, the court denied our motion to dismiss the FTC's amended complaint. On April 5, 2024, we filed our motion for summary judgment. Multiple putative class actions have also been filed in state and federal courts in the United States and in the United Kingdom against us alleging violations of antitrust laws and other causes of action in connection with these acquisitions and/or other alleged anticompetitive conduct, and seeking damages and injunctive relief. Several of the cases brought on behalf of certain advertisers and users in the United States were consolidated in the U.S. District Court for the Northern District of California (*Klein et al., v. Meta Platforms, Inc.*). On January 14, 2022, the court granted, in part, and denied, in part, our motion to dismiss the consolidated actions. On March 1, 2022, a first amended consolidated complaint was filed in the putative class action brought on behalf of certain advertisers. On December 6, 2022, the court denied our motion to dismiss the first amended consolidated complaint filed in the putative class action brought on behalf of certain advertisers.

In December 2022, the European Commission issued a Statement of Objections alleging that we tie Facebook Marketplace to Facebook and use data in a manner that infringes European Union competition rules. Although we are vigorously defending this matter, we have accrued a significant amount related to this matter and we believe there is a reasonable possibility that the ultimate losses in this matter could be material.

Securities and Other Actions

Beginning on March 20, 2018, multiple putative class actions and derivative actions were filed in state and federal courts in the United States and elsewhere against us and certain of our directors and officers alleging violations of securities laws, breach of fiduciary duties, and other causes of action in connection with our platform and user data practices as well as the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies, and seeking unspecified damages and injunctive relief. Beginning on July 27, 2018, two putative class actions were filed in federal court in the United States against us and certain of our directors and officers alleging violations of securities laws in connection with the disclosure of our earnings results for the second quarter of 2018 and seeking unspecified damages. These two actions subsequently were transferred and consolidated in the U.S. District Court for the Northern District of California (*In Re Facebook, Inc. Securities Litigation*) with the putative securities class action described above relating to our platform and user data practices. In a series of orders in 2019 and 2020, the district court granted our motions to dismiss the plaintiffs' claims. On January 17, 2022, the plaintiffs filed a notice of appeal of the order dismissing their case, and on October 18, 2023, the U.S. Court of Appeals for the Ninth Circuit issued its decision affirming in part and reversing in part the district court's order dismissing the plaintiffs' case.

We are also subject to other government inquiries and investigations relating to our business activities and disclosure practices. For example, beginning in September 2021, we became subject to government investigations and requests relating to a former employee's allegations and release of internal company documents concerning, among other things, our algorithms, advertising and user metrics, and content enforcement practices, as well as misinformation and other undesirable activity on our platform, and user well-being. We have since received additional requests relating to these and other topics. Beginning on October 27, 2021, multiple putative class actions and derivative actions were filed in the U.S. District Court for the Northern District of California against us and certain of our directors and officers alleging violations of securities laws, breach of fiduciary duties, and other causes of action in connection with the same matters, and seeking unspecified damages. *Ohio Pub. Empl. Ret. Sys. v. Meta Platforms, Inc.*

On March 8, 2022, a putative class action was filed in the U.S. District Court for the Northern District of California against us and certain of our directors and officers alleging violations of securities laws in connection with the disclosure of our earnings results for the fourth quarter of 2021 and seeking unspecified damages (*Plumbers & Steamfitters Local 60 Pension Trust v. Meta Platforms, Inc.*). On July 18, 2023, the court dismissed the claims against Meta and its officers with leave to amend. On September 18, 2023, the plaintiffs filed an amended complaint.

Youth-Related Actions

Beginning in January 2022, we became subject to litigation and other proceedings that were filed in various federal and state courts alleging that Facebook and Instagram cause "social media addiction" in users, with most proceedings focused on those under 18 years old, resulting in various mental health and other harms. Putative class actions have been filed in the United States and Canada on behalf of users in those jurisdictions, and numerous school districts, municipalities, tribal nations, and one state in the United States have filed public nuisance claims based on similar allegations. On October 6, 2022, the federal cases were centralized in the U.S. District Court for the Northern District of California (*In re Social Media Adolescent Addiction Product Liability Personal Injury Litigation*). On October 13, 2023, in *In re Social Media Cases*, the Los Angeles County Superior Court presiding over the California state court proceedings sustained in part and overruled in part our demurrer as to the plaintiff's claims. Beginning in October 2023, additional U.S. states have filed lawsuits on these topics in various federal and state courts. These additional lawsuits include allegations regarding violations of the Children's Online Privacy Protection Act (COPPA) as well as violations of state laws concerning consumer protection, unfair business practices, and products liability, with proceedings focused on our alleged business practices and harms to users under 18 years old. These lawsuits seek damages and injunctive relief, and include cases filed by various state attorneys general in *In re Social Media Adolescent Addiction Product Liability Personal Injury Litigation* in the U.S. District Court for the Northern District of California, as well as various state courts around the country. We are also subject to government investigations and requests from multiple regulators concerning the use of our products and services, and the alleged mental and physical health and safety impacts on users, particularly younger users.

Other Actions

Beginning on August 15, 2018, multiple putative class actions were filed against us alleging that we inflated our estimates of the potential audience size for advertisements, resulting in artificially increased demand and higher prices. The cases were consolidated in the U.S. District Court for the Northern District of California (*DZ Reserve v. Facebook, Inc.*) and seek unspecified damages and injunctive relief. In a series of rulings in 2019, 2021, and 2022, the court dismissed certain of the plaintiffs' claims, but permitted their fraud and unfair competition claims to proceed. On March 29, 2022, the court granted the plaintiffs' motion for class certification. On March 21, 2024, the U.S. Court of Appeals for the Ninth Circuit affirmed in part and reversed in part the order granting class certification.

Beginning on July 7, 2023, multiple putative class actions were filed against us in the U.S. District Court for the Northern District of California (*Kadrey, et al. v. Meta Platforms, Inc.* and *Chabon, et al. v. Meta Platforms, Inc.*) and U.S. District Court for the Southern District of New York (*Huckabee, et al. v. Meta Platforms, Inc. et al.*, which was subsequently transferred to the U.S. District Court for the Northern District of California) alleging that we used various copyrighted books and materials to train our artificial intelligence models, and seeking unspecified damages and injunctive relief.

In addition, we are subject to litigation and other proceedings involving law enforcement and other regulatory agencies, including in particular in Brazil, Russia, and other countries in Europe, in order to ascertain the precise scope of our legal obligations to comply with the requests of those agencies, including our obligation to disclose user information in particular circumstances. A number of such instances have resulted in the assessment of fines and penalties against us. We believe we have multiple legal grounds to satisfy these requests or prevail against associated fines and penalties, and we intend to vigorously defend such fines and penalties.

Note 13. Stockholders' Equity

Capital Return Program

Share Repurchase

Our board of directors has authorized a share repurchase program of our Class A common stock, which commenced in January 2017 and does not have an expiration date. As of December 31, 2023, \$30.93 billion remained available and authorized for repurchases under this program. In January 2024, an additional \$50 billion of repurchases was authorized under this program. During the three months ended March 31, 2024, we repurchased and subsequently retired 34 million shares of our Class A common stock for an aggregate amount of \$14.64 billion, which includes the 1% excise tax accruals as a result of the Inflation Reduction Act of 2022. As of March 31, 2024, \$66.40 billion remained available and authorized for repurchases.

The timing and actual number of shares repurchased under the repurchase program depend on a variety of factors, including price, general business and market conditions, and other investment opportunities. Shares may be repurchased through open market purchases or privately negotiated transactions, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

Dividend

On February 1, 2024, we announced the initiation of our first ever cash dividend program and Meta's board of directors declared a cash dividend of \$0.50 per share of our Class A common stock and Class B common stock to all holders of record of common stock at the close of business on February 22, 2024. These dividends were paid in March 2024, totaling to \$1.10 billion and \$174 million for Class A and Class B shares, respectively.

Subject to legally available funds and future declaration by our board of directors, we currently intend to continue to pay a quarterly cash dividend on our outstanding common stock. The declaration and payment of future dividends is at the sole discretion of our board of directors after taking into account various factors, including our financial condition, operating results, available cash, and current and anticipated cash needs.

Share-based Compensation Plan

As of March 31, 2024, there were 464 million shares of our Class A common stock reserved for future issuance under our 2012 Equity Incentive Plan (Amended 2012 Plan), which was most recently amended in December 2022.

The following table summarizes our share-based compensation expense, which consists of the RSU expense, by line item in our condensed consolidated statements of income (in millions):

	Three Months Ended March 31,	
	2024	2023
Cost of revenue	\$ 221	\$ 160
Research and development	2,911	2,449
Marketing and sales	226	219
General and administrative	204	223
Total share-based compensation expense	<u>\$ 3,562</u>	<u>\$ 3,051</u>

The following table summarizes the activities for our unvested RSUs for the three months ended March 31, 2024:

	Number of Shares (in thousands)	Weighted-Average Grant Date Fair Value Per Share
Unvested at December 31, 2023	149,062	\$ 209.85
Granted	39,117	\$ 501.14
Vested	(16,003)	\$ 212.85
Forfeited	(2,108)	\$ 218.80
Unvested at March 31, 2024	170,068	\$ 276.45

The fair value as of the respective vesting dates of RSUs that vested during the three months ended March 31, 2024 and 2023 was \$7.58 billion and \$2.44 billion, respectively. The income tax benefit recognized related to awards vested during the three months ended March 31, 2024 and 2023 was \$1.61 billion and \$519 million, respectively.

As of March 31, 2024, there was \$45.04 billion of unrecognized share-based compensation expense related to RSU awards. This unrecognized compensation expense is expected to be recognized over a weighted-average period of approximately three years based on vesting under the award service conditions.

Note 14. Income Taxes

Our tax provision for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter, including excess tax benefits recognized from share-based compensation and changes in unrecognized tax benefits. In each quarter, we update the estimated annual effective tax rate and make a year-to-date adjustment to the provision. The estimated annual effective tax rate is subject to significant volatility due to several factors, including our ability to accurately predict the proportion of our income (loss) before provision for income taxes in multiple jurisdictions, the U.S. tax benefits from foreign derived intangible income, and the effects of tax law changes.

Our gross unrecognized tax benefits were \$12.08 billion and \$11.67 billion on March 31, 2024 and December 31, 2023, respectively. These unrecognized tax benefits were primarily accrued for the uncertainties related to transfer pricing with our foreign subsidiaries, which include licensing of intellectual property, providing services and other transactions, as well as for uncertainties with our research tax credits. If the gross unrecognized tax benefits as of March 31, 2024 were realized in a future period, this would result in a tax benefit of \$7.65 billion within our provision for income taxes at such time. The amount of interest and penalties accrued was \$1.62 billion and \$1.48 billion as of March 31, 2024 and December 31, 2023, respectively. We expect to continue to accrue unrecognized tax benefits for certain recurring tax positions.

In July 2016, we received a Statutory Notice of Deficiency (Notice) from the Internal Revenue Service (IRS) related to transfer pricing with our foreign subsidiaries in conjunction with the examination of the 2010 tax year. While the Notice applies only to the 2010 tax year, the IRS stated that it will also apply its position for tax years subsequent to 2010 and has done so in years covered by the second Notice described below. We do not agree with the position of the IRS and have filed a petition in the Tax Court challenging the Notice. On January 15, 2020, the IRS's amendment to answer was filed stating that it planned to assert at trial an adjustment that is higher than the adjustment stated in the Notice. The first session of the trial was completed in March 2020 and the final trial session was completed in August 2022. We expect the Tax Court to issue an opinion in 2024 which will likely provide a transfer pricing value for intellectual property transferred. This value will need to be extrapolated into income adjustments to determine the specific tax liability, which will likely remain in dispute and will not be resolved until the Tax Court enters a decision. If the IRS prevails in its updated position, this could result in an additional federal tax liability of an estimated, aggregate amount of up to approximately \$9.0 billion in excess of the amounts in our originally filed U.S. return, plus interest and any penalties asserted. Once the Tax Court decision is entered, the IRS and Meta will each have the option to file an appeal to the Ninth Circuit Court of Appeals.

In March 2018, we received a second Notice from the IRS in conjunction with the examination of our 2011 through 2013 tax years. The IRS applied its position from the 2010 tax year to each of these years and also proposed new adjustments related to other transfer pricing with our foreign subsidiaries and certain tax credits that we claimed. If the IRS prevails in its position for these new adjustments, this could result in an additional federal tax liability of up to approximately \$680 million.

in excess of the amounts in our originally filed U.S. returns, plus interest and any penalties asserted. We do not agree with the positions of the IRS in the second Notice and have filed a petition in the Tax Court challenging the second Notice.

We have previously accrued an estimated unrecognized tax benefit consistent with the guidance in ASC 740, Income Taxes (ASC 740), that is lower than the potential additional federal tax liability from the positions taken by the IRS in the two Notices and its Pretrial Memorandum. In addition, if the IRS prevails in its positions related to transfer pricing with our foreign subsidiaries, the additional tax that we would owe would be partially offset by a reduction in the tax that we owe under the mandatory transition tax on accumulated foreign earnings from the 2017 Tax Cuts and Jobs Act. As of March 31, 2024, we have not resolved these matters and proceedings continue in the Tax Court.

Note 15. Segment and Geographical Information

We report our financial results for our two reportable segments: Family of Apps (FoA) and Reality Labs (RL). FoA includes Facebook, Instagram, Messenger, WhatsApp, and other services. RL includes our virtual, augmented, and mixed reality related consumer hardware, software, and content. Our operating segments are the same as our reportable segments.

Revenue and costs and expenses are generally directly attributed to our segments. These costs and expenses include certain product development related operating expenses, costs associated with partnership arrangements, consumer hardware product costs, content costs, legal-related costs, and severance costs. Indirect costs are allocated to segments based on a reasonable allocation methodology, when such costs are significant to the performance measures of the operating segments. Indirect operating expenses, such as facilities, information technology, certain shared research and development activities, recruiting, physical security expenses, and certain restructuring costs, are mostly allocated based on headcount. Costs related to the operation of our data centers and technical infrastructure are generally allocated to our segments based on usage, most of which is allocated to the FoA segment.

The following table sets forth our segment information of revenue and income (loss) from operations (in millions):

	Three Months Ended March 31,	
	2024	2023
Revenue:		
Family of Apps	\$ 36,015	\$ 28,306
Reality Labs	440	339
Total revenue	<u>\$ 36,455</u>	<u>\$ 28,645</u>
Income (loss) from operations:		
Family of Apps	\$ 17,664	\$ 11,219
Reality Labs	(3,846)	(3,992)
Total income from operations	<u>\$ 13,818</u>	<u>\$ 7,227</u>

For information regarding revenue disaggregated by geography, see Note 2 — Revenue.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion of our financial condition and results of operations in conjunction with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission. In addition to our historical condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in Part II, Item 1A, "Risk Factors." For a discussion of limitations in the measurement of our Family metrics, see the section entitled "Limitations of Key Metrics and Other Data" in this Quarterly Report on Form 10-Q.

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with generally accepted accounting principles in the United States (GAAP), we present revenue on a constant currency basis, which is a non-GAAP financial measure. Revenue on a constant currency basis is presented in the section entitled "—Revenue—Foreign Exchange Impact on Revenue." To calculate revenue on a constant currency basis, we translated revenue for the three months ended March 31, 2024 using the prior year's monthly exchange rates for our settlement or billing currencies other than the U.S. dollar:

This non-GAAP financial measure is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with GAAP. This measure may be different from non-GAAP financial measures used by other companies, limiting its usefulness for comparison purposes. Moreover, presentation of revenue on a constant currency basis is provided for year-over-year comparison purposes, and investors should be cautioned that the effect of changing foreign currency exchange rates has an actual effect on our operating results. We believe this non-GAAP financial measure provides investors with useful supplemental information about the financial performance of our business, enables comparison of financial results between periods where certain items may vary independent of business performance, and allows for greater transparency with respect to key metrics used by management in operating our business.

Executive Overview of First Quarter Results

Our mission is to give people the power to build community and bring the world closer together.

Our financial results and key Family metrics for the first quarter of 2024 are set forth below. Total revenue for the first quarter of 2024 was \$36.46 billion, an increase of 27% compared to the first quarter of 2023, due to an increase in advertising revenue. Ad impressions delivered across our Family of Apps in the first quarter of 2024 increased 20% year-over-year, and our average price per ad in the first quarter of 2024 increased 6% year-over-year.

Consolidated and Segment Results

We report our financial results for our two reportable segments: Family of Apps (FoA) and Reality Labs (RL). FoA includes Facebook, Instagram, Messenger, WhatsApp, and other services. RL includes our virtual, augmented, and mixed reality related consumer hardware, software, and content.

	Family of Apps			Reality Labs			Total		
	Three Months Ended March 31,			Three Months Ended March 31,			Three Months Ended March 31,		
	2024	2023	% change	2024	2023	% change	2024	2023	% change
	<i>(in millions, except percentages)</i>								
Revenue	\$ 36,015	\$ 28,306	27%	\$ 440	\$ 339	30%	\$ 36,455	\$ 28,645	27%
Costs and expenses	\$ 18,351	\$ 17,087	7%	\$ 4,286	\$ 4,331	(1)%	\$ 22,637	\$ 21,418	6%
Income (loss) from operations	\$ 17,664	\$ 11,219	57%	\$ (3,846)	\$ (3,992)	4%	\$ 13,818	\$ 7,227	91%
Operating margin	49 %	40 %		(874)%	(1,178)%		38 %	25 %	

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- Net income was \$12.37 billion, with diluted earnings per share (EPS) of \$4.71 for the three months ended March 31, 2024.
- Capital expenditures, including principal payments on finance leases, were \$6.72 billion for the three months ended March 31, 2024.
- Share repurchases were \$14.64 billion of our Class A common stock and dividends payments were \$1.27 billion for the three months ended March 31, 2024.
- Cash, cash equivalents, and marketable securities were \$58.12 billion as of March 31, 2024.
- Effective tax rate was 13% for the three months ended March 31, 2024.
- Headcount was 69,329 as of March 31, 2024, a decrease of 10% year-over-year.

Family of Apps Metrics

- Family daily active people (DAP) was 3.24 billion on average for March 2024, an increase of 7% year-over-year.
- Ad impressions delivered across our Family of Apps in the first quarter of 2024 increased by 20% year-over-year.
- Average price per ad in the first quarter of 2024 increased by 6% year-over-year.

Developments in Advertising

Substantially all of our revenue is currently generated from advertising on Facebook and Instagram. We rely on targeting and measurement tools that incorporate data signals from user activity on websites and services that we do not control, as well as signals generated within our products, in order to deliver relevant and effective ads to our users. Our advertising revenue has been, and we expect will continue to be, adversely affected by reduced marketer spending as a result of limitations on our ad targeting and measurement tools arising from changes to the regulatory environment and third-party mobile operating systems and browsers.

In particular, legislative and regulatory developments such as the General Data Protection Regulation, including its evolving interpretation through decisions of the Court of Justice of the European Union, ePrivacy Directive, European Digital Services Act, Digital Markets Act, and U.S. state privacy laws including the California Consumer Privacy Act, as amended by the California Privacy Rights Act, have impacted our ability to use data signals in our ad products, and we expect these and other developments will have further impact in the future. As a result, we have implemented, and we will continue to implement, whether voluntarily or otherwise, changes to our products and user data practices, which reduce our ability to effectively target and measure ads. For example, in response to regulatory developments in Europe, we announced our plans to change the legal basis for behavioral advertising on Facebook and Instagram in the EU, European Economic Area, and Switzerland from "legitimate interests" to "consent," and began offering users in the region a "subscription for no ads" alternative. We are engaging with regulators on our consent model. In addition, mobile operating system and browser providers, such as Apple and Google, have implemented product changes and/or announced future plans to limit the ability of websites and application developers to collect and use these signals to target and measure advertising. For example, in 2021, Apple made certain changes to its products and data use policies in connection with changes to its iOS operating system that reduce our and other iOS developers' ability to target and measure advertising, which has negatively impacted, and we expect will continue to negatively impact, the size of the budgets marketers are willing to commit to us and other advertising platforms.

To mitigate these developments, we are continually working to evolve our advertising systems to improve the performance of our ad products. We are developing privacy enhancing technologies to deliver relevant ads and measurement capabilities while reducing the amount of personal information we process, including by relying more on anonymized or aggregated third-party data. In addition, we are developing tools that enable marketers to share their data into our systems, as well as ad products that generate more valuable signals within our apps. More broadly, we also continue to innovate our advertising tools to help marketers prepare campaigns and connect with consumers, including developing growing formats such as Reels ads and our business messaging ad products. Across all of these efforts, we are making significant investments in artificial intelligence (AI), including generative AI, to improve our delivery, targeting, and measurement capabilities. Further, we are focused on driving onsite conversions in our business messaging ad products by developing new features and scaling existing features.

We are also engaging with others across our industry to explore the possibility of new open standards for the private and secure processing of data for advertising purposes. We believe our ongoing improvements to ad targeting and measurement are continuing to drive improved results for advertisers. However, we expect that some of these efforts will be long-term initiatives, and that the legislative, regulatory and platform developments described above will continue to adversely impact our advertising revenue for the foreseeable future.

Other Business and Macroeconomic Conditions

Other global and regional business, macroeconomic, and geopolitical conditions also have had, and we believe will continue to have, an impact on our user growth and engagement and advertising revenue. In particular, we believe advertising budgets have been pressured from time to time by factors such as inflation, rising interest rates, and related market uncertainty, which has led to reduced marketer spending. While we saw improvement in business and macroeconomic conditions in recent periods, continued business, macroeconomic, and geopolitical uncertainty remains, which could impact our financial results in future periods. In addition, competitive products and services have reduced some users' engagement with our products and services. We are investing in Reels and in AI initiatives across our products, including our AI-powered discovery engine to recommend relevant content, which we have already seen results in improved user engagement and monetization of our products. While Reels is growing in usage, it monetizes at a lower rate than our Feed and Stories products and we expect it will continue to monetize at a lower rate for the foreseeable future. We also have seen fluctuations and declines in the size of our active user base in one or more regions from time to time. For example, in connection with the war in Ukraine, access to Facebook and Instagram was restricted in Russia and the services were then prohibited by the Russian government, which continued to adversely affect user growth and engagement in the first quarter of 2024. These trends adversely affected advertising revenue in the first quarter of 2024, and we expect will continue to affect our advertising revenue in the foreseeable future.

Although we regularly evaluate a variety of sources to understand trends in our advertising revenue, we do not have perfect visibility into the factors driving advertiser spending decisions and our assessments involve complex judgments about what is driving advertising decisions across a large and diversified advertiser base across the globe. Trends impacting advertising spend are also dynamic and interrelated. As a result, it is difficult to identify with precision which advertiser spending decisions are attributable to which trends, and we are unable to quantify the exact impact that each trend had on our advertising revenue during the periods presented.

Investment Philosophy

We expect to continue to build on the discipline and habits that we developed in 2022 when we initiated several efforts to increase our operating efficiency, while still remaining focused on investing in significant opportunities. In the three months ended March 31, 2024, 81% of our total costs and expenses were recognized in FoA and 19% were recognized in RL. Our FoA investments include expenses relating to headcount, data centers, and technical infrastructure as part of our efforts to develop our apps and our advertising services. These efforts include significant investments in AI initiatives, including to recommend relevant content across our products, enhance our advertising tools, develop new products, and develop new features for existing products using generative AI.

We are also making significant investments in our metaverse efforts, including developing virtual, augmented, and mixed reality devices, software for social platforms, neural interfaces, and other foundational technologies for the metaverse. Our RL investments include expenses relating to technology development across these efforts. Many of our RL investments are directed toward long-term, cutting-edge research and development for products for the metaverse that may only be fully realized in the next decade. During the three months ended March 31, 2024, our RL segment reduced our overall operating profit by approximately \$3.85 billion, and we expect our RL operating losses to increase meaningfully in 2024. We expect this will be a complex, evolving, and long-term initiative, and our ability to support our metaverse efforts is dependent on generating sufficient profits from other areas of our business. We are investing now because we believe this is the next chapter of the internet and will unlock monetization opportunities for businesses, developers, and creators, including around advertising, hardware, and digital goods.

Trends in Our Revenue by User Geography

We calculate our revenue by user geography based on our estimate of the geography in which ad impressions are delivered, virtual and digital goods are purchased, or consumer hardware products are shipped. The geography of our users affects our revenue and financial results. Our revenue in regions such as United States & Canada and Europe is relatively higher primarily due to the size and maturity of those online and mobile advertising markets, and ad impression growth is mostly in geographies that monetize at lower rates, such as Asia-Pacific and Rest of World. In the first quarter of 2024, revenue increased by 21% in United States & Canada, 34% in Europe, 26% in Asia-Pacific, and 42% in Rest of World, in each case relative to the same period in 2023.



Note: Non-advertising revenue includes RL revenue generated from the delivery of consumer hardware products and FoA Other revenue, which consists of revenue from WhatsApp Business Platform, net fees we receive from developers using our Payments infrastructure, and revenue from various other sources.

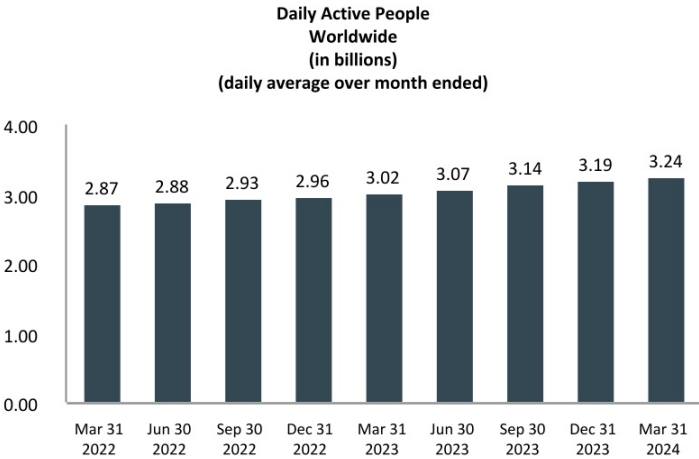
Our revenue by user geography in the charts above is geographically apportioned based on our estimation of the geographic location of our users when they perform a revenue-generating activity. This allocation differs from our revenue disaggregated by geography disclosure in Note 2 — Revenue in our condensed consolidated financial statements included in Part I, Item 1, "Financial Statements" where revenue is geographically apportioned based on the addresses of our customers.

Trends in Our Family Metrics

The numbers for our key Family metrics, our DAP and average revenue per person (ARPP), do not include users on our other products unless they would otherwise qualify as DAP based on their other activities on our Family products.

Trends in the number of people in our community affect our revenue and financial results by influencing the number of ads we are able to show, the value of our ads to marketers, as well as our expenses and capital expenditures. Substantially all of our daily active people (as defined below) access our Family products on mobile devices.

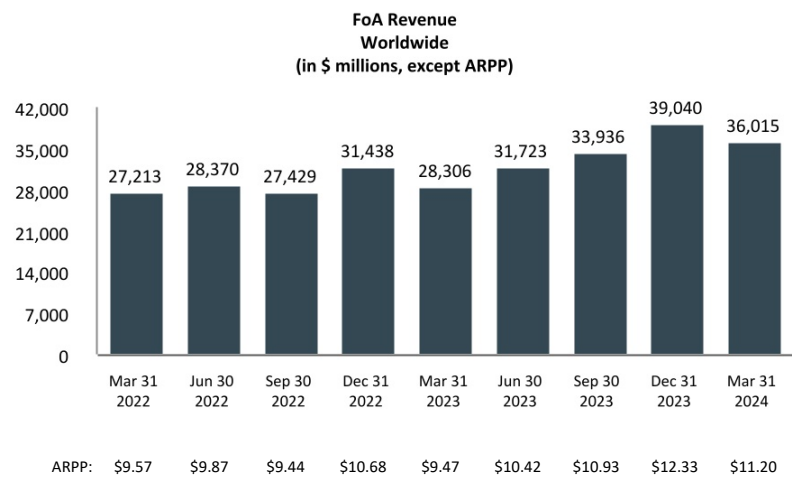
- Daily Active People (DAP).** We define a daily active person as a registered and logged-in user of Facebook, Instagram, Messenger, and/or WhatsApp (collectively, our "Family" of products) who visited at least one of these Family products through a mobile device application or using a web or mobile browser on a given day. We do not require people to use a common identifier or link their accounts to use multiple products in our Family, and therefore must seek to attribute multiple user accounts within and across products to individual people. Our calculations of DAP rely upon complex techniques, algorithms, and machine learning models that seek to estimate the underlying number of unique people using one or more of these products, including by matching user accounts within an individual product and across multiple products when we believe they are attributable to a single person, and counting such group of accounts as one person. As these techniques and models require significant judgment, are developed based on internal reviews of limited samples of user accounts, and are calibrated against user survey data, there is necessarily some margin of error in our estimates. We view DAP as a measure of engagement across our products. For additional information, see the section entitled "Limitations of Key Metrics and Other Data" in this Quarterly Report on Form 10-Q.



Note: We report the numbers of DAP as specific amounts, but these numbers are estimates of the numbers of unique people using our products and are subject to statistical variances and errors. While we expect the error margin for these estimates to vary from period to period, we estimate that such margin generally will be approximately 3% of our worldwide DAP. At our scale, it is very difficult to attribute multiple user accounts within and across products to individual people, and it is possible that the actual numbers of unique people using our products may vary significantly from our estimates, potentially beyond our estimated error margins. For additional information, see the section entitled "Limitations of Key Metrics and Other Data" in this Quarterly Report on Form 10-Q. In the third quarter of 2022, we updated our Family metrics calculations to maintain calibration of our models against recent user survey data, and we estimate such update contributed an aggregate of approximately 30 million DAP to our reported worldwide DAP in September 2022. Beginning in the fourth quarter of 2023, our Family metrics no longer include Messenger Kids users.

Worldwide DAP increased 7% to 3.24 billion on average during March 2024 from 3.02 billion during March 2023.

- **Average Revenue Per Person (ARPP).** Our Family of Apps (FoA) revenue represents the substantial majority of our total revenue. We define ARPP as our FoA revenue during a given quarter, divided by the average of the number of DAP at the beginning and end of the quarter.

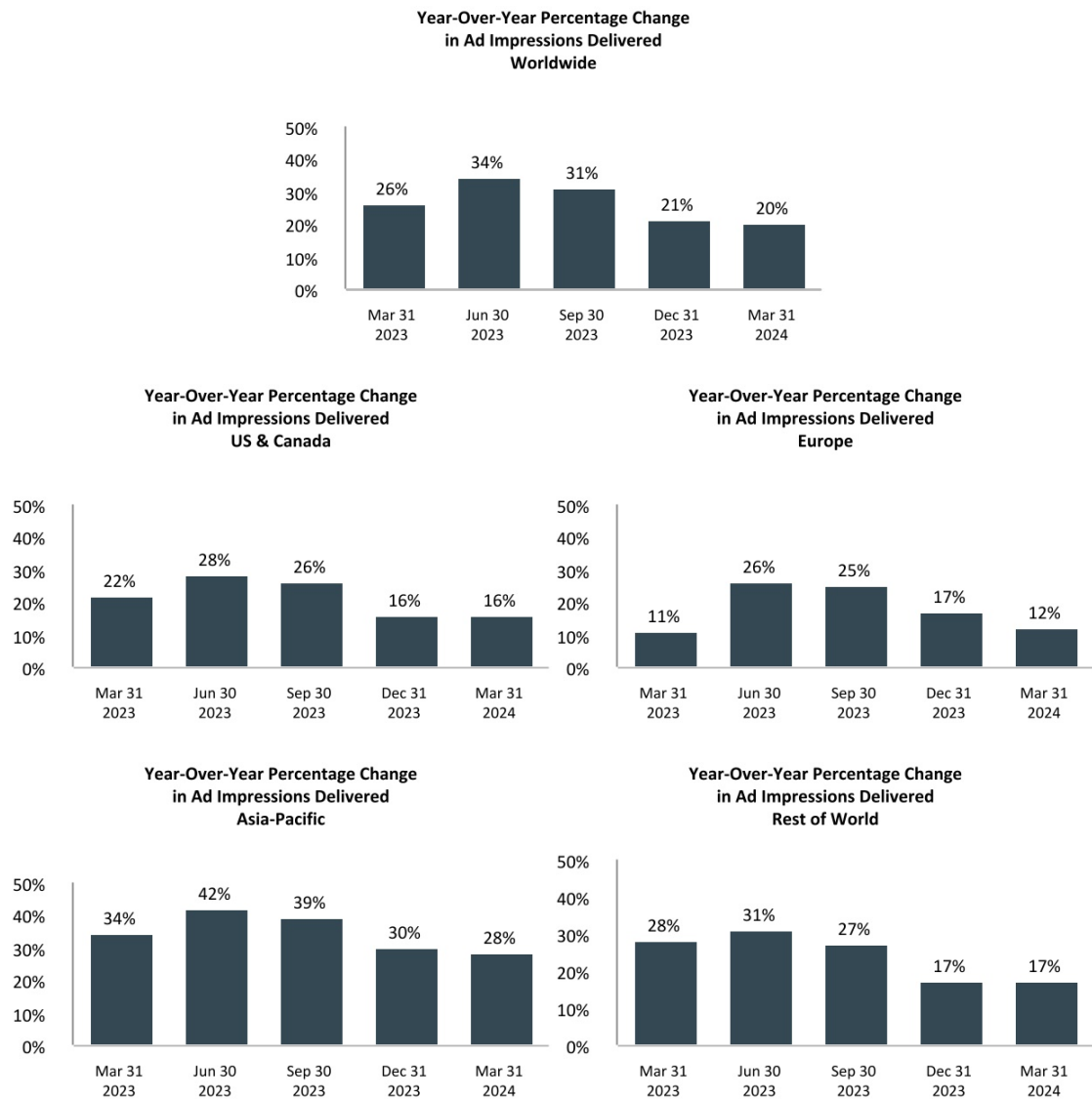


Note: We updated our definition of ARPP beginning in the first quarter of 2024 and have recast ARPP in prior periods for comparative purposes.

During the first quarter of 2024, worldwide ARPP was \$11.20, an increase of 18% from the first quarter of 2023.

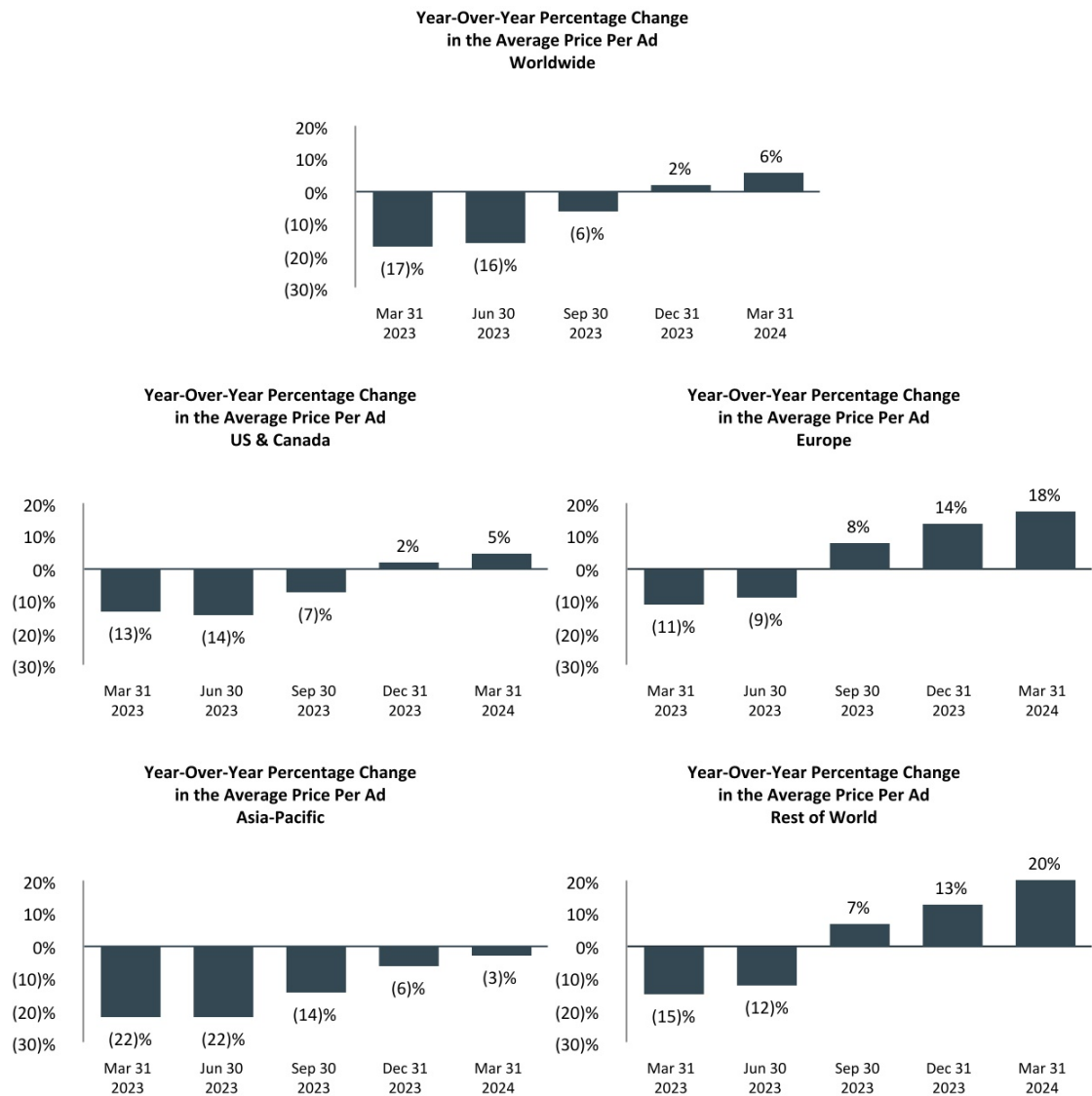
Trends in Our Ad Impressions and Average Price Per Ad

- Ad Impressions.** Our advertising revenue is generated by displaying ad products on Facebook, Instagram, Messenger, and third-party mobile applications. Impressions are considered delivered when an ad is displayed to a user.



Note: Our ad impressions growth by user geography in the charts above is geographically apportioned based on our estimation of the geographic location of our users when an ad impression is delivered.

- Average Price Per Ad.** We calculate average price per ad as total advertising revenue divided by the number of ads delivered.



Note: Our average price per ad growth by user geography in the charts above is geographically apportioned based on our estimation of the geographic location of our users when an ad impression is delivered.

Components of Results of Operations

Revenue

Family of Apps (FoA)

Advertising. We generate substantially all of our revenue from advertising. Our advertising revenue is generated by displaying ad products on Facebook, Instagram, Messenger, and third-party mobile applications. Marketers pay for ad products either directly or through their relationships with advertising agencies or resellers, based on the number of impressions delivered or the number of actions, such as clicks, taken by users.

We recognize revenue from the display of impression-based ads in the contracted period in which the impressions are delivered. Impressions are considered delivered when an ad is displayed to a user. We recognize revenue from the delivery of action-based ads in the period in which a user takes the action the marketer contracted for. The number of ads we show is subject to methodological changes as we continue to evolve our ads business and the structure of our ads products. In particular, the ads we show may vary by product (for example, our video and Reels products are not currently monetized at the same rate as our Feed or Stories products), and from time to time we increase or decrease the number or frequency of ads we show as part of our product and monetization strategies. We calculate average price per ad as total advertising revenue divided by the number of ads delivered, representing the average price paid per ad by a marketer regardless of their desired objective such as impression or action. For advertising revenue arrangements where we are not the principal, we recognize revenue on a net basis.

Other revenue. Other revenue consists of revenue from WhatsApp Business Platform, net fees we receive from developers using our Payments infrastructure and revenue from various other sources.

Reality Labs (RL)

RL revenue is generated from the delivery of consumer hardware products, such as Meta Quest, wearables, and related software and content.

Cost of Revenue and Operating Expenses

Cost of revenue. Our cost of revenue consists of expenses associated with the delivery and distribution of our products. These mainly include expenses related to the operation of our data centers and technical infrastructure, such as depreciation expense from servers, network infrastructure and buildings, as well as payroll and related expenses which include share-based compensation for employees on our operations teams, and energy and bandwidth costs. Cost of revenue also includes costs associated with partner arrangements, including traffic acquisition costs and credit card and other fees related to processing customer transactions; RL inventory costs, which consist of cost of products sold and estimated losses on non-cancelable contractual commitments; and content costs.

Research and development. Research and development expenses consist mostly of payroll and related expenses which include share-based compensation, RL technology development costs, facilities-related costs for employees on our engineering and technical teams who are responsible for developing new products as well as improving existing products, as well as infrastructure cost and restructuring charges.

Marketing and sales. Marketing and sales expenses consist mainly of marketing and promotional expenses as well as payroll and related expenses which include share-based compensation for our employees engaged in sales, sales support, marketing, business development, and customer service functions. Our marketing and sales expenses also include professional services such as content reviewers to support our community and product operations and restructuring charges.

General and administrative. General and administrative expenses consist primarily of legal-related costs, which include estimated fines, settlements, or other losses in connection with legal and related matters, as well as other legal fees; payroll and related expenses which include share-based compensation for certain of our executives as well as our legal, finance, human resources, corporate communications and policy, and other administrative employees; other taxes, such as digital services taxes and other non-income-based tax levies; professional services and restructuring charges.

Results of Operations

The following table sets forth our condensed consolidated statements of income data (in millions):

	Three Months Ended March 31,	
	2024	2023
Revenue	\$ 36,455	\$ 28,645
Costs and expenses:		
Cost of revenue	6,640	6,108
Research and development	9,978	9,381
Marketing and sales	2,564	3,044
General and administrative	3,455	2,885
Total costs and expenses	22,637	21,418
Income from operations	13,818	7,227
Interest and other income, net	365	80
Income before provision for income taxes	14,183	7,307
Provision for income taxes	1,814	1,598
Net income	\$ 12,369	\$ 5,709

The following table sets forth our condensed consolidated statements of income data (as a percentage of revenue)⁽¹⁾:

	Three Months Ended March 31,	
	2024	2023
Revenue	100 %	100 %
Costs and expenses:		
Cost of revenue	18	21
Research and development	27	33
Marketing and sales	7	11
General and administrative	9	10
Total costs and expenses	62	75
Income from operations	38	25
Interest and other income, net	1	—
Income before provision for income taxes	39	26
Provision for income taxes	5	6
Net income	34 %	20 %

(1) Percentages have been rounded for presentation purposes and may differ from unrounded results.

Revenue

The following table sets forth our revenue by source and by segment:

	Three Months Ended March 31,		% change
	2024	2023	
	<i>(in millions, except percentages)</i>		
Advertising	\$ 35,635	\$ 28,101	27 %
Other revenue	380	205	85 %
Family of Apps	36,015	28,306	27 %
Reality Labs	440	339	30 %
Total revenue	<u>\$ 36,455</u>	<u>\$ 28,645</u>	27 %

Family of Apps

FoA revenue in the three months ended March 31, 2024 increased \$7.71 billion, or 27%, compared to the same period in 2023. The increase was almost entirely driven by advertising revenue.

Advertising

Advertising revenue in the three months ended March 31, 2024 increased \$7.53 billion, or 27%, compared to the same period in 2023 due to increases in ad impressions delivered and average price per ad. During the three months ended March 31, 2024, ad impressions delivered increased by 20% as compared with an increase of 26% in the same period in 2023 as ad impressions grew in all regions, especially in Asia-Pacific and Rest of World. The increase in ad impressions delivered was primarily driven by an increase in users and their engagement on our products. During the three months ended March 31, 2024, the average price per ad increased by 6%, as compared with a decrease of 17% in the same period in 2023. The increase in average price per ad was driven by an increase in advertising demand which we believe is primarily due to ongoing improvements to our ad performance from our ad targeting and measurement tools. This increase was partially offset by a higher number of ad impressions delivered, especially in geographies and in products, such as Reels, that monetize at lower rates. Other factors are discussed in the section entitled "—Executive Overview of First Quarter Results." In addition, year-over-year advertising revenue growth in the three months ended March 31, 2024 was mainly driven by marketer spending in online commerce, gaming, as well as entertainment and media. We anticipate that future advertising revenue will be driven by a combination of price and ad impressions delivered.

Other revenue

FoA other revenue in the three months ended March 31, 2024 increased \$175 million, or 85%, compared to the same period in 2023. The increase was primarily driven by WhatsApp Business Platform revenue.

Reality Labs

RL revenue in the three months ended March 31, 2024 increased \$101 million, or 30%, compared to the same period in 2023. The increase in RL revenue was driven by a net increase in the volume of Meta Quest sales.

Foreign Exchange Impact on Revenue

Changes in foreign exchange rates had a favorable impact on our revenue in the three months ended March 31, 2024 compared to the same period in 2023. If we had translated revenue for the three months ended March 31, 2024 using the prior year's monthly exchange rates for our settlement or billing currencies other than the U.S. dollar, our total revenue and advertising revenue would have been \$36.35 billion and \$35.53 billion, respectively. Using these constant rates, total revenue and advertising revenue would have been \$106 million and \$105 million lower than actual total revenue and advertising revenue, respectively, for the three months ended March 31, 2024.

Cost of revenue

	Three Months Ended March 31,		% change
	2024	2023	
	(in millions, except percentages)		
Cost of revenue	\$ 6,640	\$ 6,108	9 %
Percentage of revenue	18 %	21 %	

Cost of revenue in the three months ended March 31, 2024 increased \$532 million, or 9%, compared to the same period in 2023. The increase was mostly from an increase in operational expenses related to our data centers and technical infrastructure which was partially offset by a decrease in RL inventory-related valuation adjustments.

Research and development

	Three Months Ended March 31,		% change
	2024	2023	
	(in millions, except percentages)		
Research and development	\$ 9,978	\$ 9,381	6 %
Percentage of revenue	27 %	33 %	

Research and development expenses in the three months ended March 31, 2024 increased \$597 million, or 6%, compared to the same period in 2023. The increase was mostly from higher payroll and related expenses and infrastructure costs, offset by a decrease in restructuring charges.

See Note 3 — Restructuring in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for additional information regarding restructuring charges.

Marketing and sales

	Three Months Ended March 31,		% change
	2024	2023	
	(in millions, except percentages)		
Marketing and sales	\$ 2,564	\$ 3,044	(16)%
Percentage of revenue	7 %	11 %	

Marketing and sales expenses in the three months ended March 31, 2024 decreased \$480 million, or 16%, compared to the same period in 2023. The decrease was mainly due to decreases in restructuring charges, product and community operations expenses, and marketing and promotional expenses.

See Note 3 — Restructuring in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for additional information regarding restructuring charges.

General and administrative

	Three Months Ended March 31,		% change
	2024	2023	
	(in millions, except percentages)		
General and administrative	\$ 3,455	\$ 2,885	20 %
Percentage of revenue	9 %	10 %	

General and administrative expenses in the three months ended March 31, 2024 increased \$570 million, or 20%, compared to the same period in 2023. The increase was driven by higher legal-related costs, partially offset by a decrease in restructuring charges.

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See Note 3 — Restructuring and Note 12 — Commitments and Contingencies in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for additional information regarding restructuring charges and legal-related costs, respectively.

Segment profitability

The following table sets forth income (loss) from operations by segment:

	Three Months Ended March 31,		% change
	2024	2023	
	<i>(in millions, except percentages)</i>		
Family of Apps	\$ 17,664	\$ 11,219	57 %
Reality Labs	(3,846)	(3,992)	4 %
Total income from operations	\$ 13,818	\$ 7,227	91 %

Family of Apps

FoA income from operations in the three months ended March 31, 2024 increased \$6.44 billion, or 57%, compared to the same period in 2023. The increase in FoA income from operations was driven by higher advertising revenue which was partially offset by an increase in costs and expenses. The increase in the costs and expenses was due to increases in legal-related costs and operational expenses related to our data centers and technical infrastructure, offset by a decrease in restructuring charges.

Reality Labs

RL loss from operations in the three months ended March 31, 2024 decreased \$146 million, or 4%, compared to the same period in 2023. The decrease in RL loss from operations was driven by an increase in RL revenue and a slight decrease in RL costs and expenses. The decrease in the costs and expenses was driven by lower RL inventory-related valuation adjustments and restructuring charges, offset by an increase in payroll and related costs.

See Note 3 — Restructuring and Note 12 — Commitments and Contingencies in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for additional information regarding restructuring charges and legal-related costs, respectively.

Interest and other income, net

	Three Months Ended March 31,		% change
	2024	2023	
	<i>(in millions, except percentages)</i>		
Interest income	\$ 585	\$ 193	203 %
Interest expense	(127)	(55)	(131)%
Foreign currency exchange losses, net	(148)	(63)	(135)%
Other income, net	55	5	NM
Interest and other income, net	\$ 365	\$ 80	356 %

NM - not meaningful

Interest and other income, net in the three months ended March 31, 2024 increased \$285 million, or 356%, compared to the same period in 2023. The increase in interest income was due to a combination of higher balances and higher interest rates, compared to the same period in 2023.

Provision for income taxes

	Three Months Ended March 31,		% change
	2024	2023	
	(in millions, except percentages)		
Provision for income taxes	\$ 1,814	\$ 1,598	14 %
Effective tax rate	13 %	22 %	

Our provision for income taxes in the three months ended March 31, 2024 increased \$216 million, or 14%, compared to the same period in 2023, due to an increase in income before provision for income taxes.

Our effective tax rate decreased in the three months ended March 31, 2024 compared to the same period in 2023, primarily due to excess tax benefits recognized from share-based compensation.

Effective Tax Rate Items. Our effective tax rate in the future will depend upon the proportion between the following items and income before provision for income taxes: U.S. tax benefits from foreign-derived intangible income, tax effects from share-based compensation, research tax credit, tax effects from capital losses not expected to be utilized, restructurings, settlement of tax contingency items, tax effects of changes in our business, and the effects of changes in tax law.

The accounting for share-based compensation may increase or decrease our effective tax rate based upon the difference between our share-based compensation expense and the deductions taken on our tax return, which depend upon the stock price at the time of employee award vesting. If our stock price remains constant to the April 19, 2024 price, and absent any changes to our tax landscape, we expect our effective tax rate for the full year 2024 to be in the mid-teens. This includes the effects of the mandatory capitalization and amortization of research and development expenses incurred in 2024, as required by the 2017 Tax Cuts and Jobs Act (Tax Act). The mandatory capitalization requirement increases our 2024 cash tax liabilities materially but also decreases our effective tax rate due to increasing the foreign-derived intangible income deduction. If the mandatory capitalization is deferred, our effective tax rate in 2024 could be higher when compared to current law and our cash tax liabilities could be lower.

A number of countries have begun to enact legislation to implement the Organization for Economic Cooperation and Development's 15% global minimum tax regime with effect from January 1, 2024. We do not expect these changes to have a material impact on our consolidated financial statements for 2024. We continue to evaluate the impacts of proposed and enacted legislation with respect to the global minimum tax regime in the jurisdictions we operate in. Our effective tax rate and cash tax payments could increase in future years as further jurisdictions enact legislation.

See Note 14 — Income Taxes in the notes to the condensed consolidated financial statements included in Part I, Item 1, of this Quarterly Report on Form 10-Q for additional information regarding income tax contingencies.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash, cash equivalents, marketable securities, and cash generated from operations. Cash, cash equivalents, and marketable securities are comprised of cash on deposit with banks, time deposits, money market funds, U.S. government and agency securities, and investment grade corporate debt securities. As part of our cash management strategy, we concentrate cash deposits with large financial institutions and our investment holdings are in diversified highly rated securities. Cash, cash equivalents, and marketable securities were \$58.12 billion as of March 31, 2024, a decrease of \$7.28 billion from December 31, 2023. The decrease was primarily due to \$15.01 billion for repurchases of our Class A common stock, \$6.72 billion for capital expenditures, including principal payments on finance leases, and \$3.16 billion of taxes paid related to net share settlement of employee restricted stock unit (RSU) awards. These decreases were partially offset by \$19.25 billion of cash generated from operations.

The following table presents our cash flows (in millions):

	Three Months Ended March 31,	
	2024	2023
Net cash provided by operating activities	\$ 19,246	\$ 13,998
Net cash used in investing activities	\$ (8,734)	\$ (6,743)
Net cash used in financing activities	\$ (19,767)	\$ (10,516)

Cash Provided by Operating Activities

Cash provided by operating activities during the three months ended March 31, 2024 mostly consisted of \$12.37 billion net income adjusted for certain non-cash items, such as \$3.56 billion of share-based compensation expense, and \$3.37 billion of depreciation and amortization expense. The increase in cash flows from operating activities during the three months ended March 31, 2024, compared to the same period in 2023, was due to an increase in cash collection from our customers driven by the increase in revenue, partially offset by higher operating spending.

Cash Used in Investing Activities

Cash used in investing activities during the three months ended March 31, 2024 mostly consisted of \$6.40 billion of net purchases of property and equipment as we continued to invest in servers, data centers, and network infrastructure, and \$2.26 billion of net purchases of marketable debt securities. The increase in cash used in investing activities during the three months ended March 31, 2024, compared to the same period in 2023, was mainly due to an increase in purchases of marketable debt securities.

We anticipate making capital expenditures of approximately \$35 billion to \$40 billion in 2024.

Cash Used in Financing Activities

Cash used in financing activities during the three months ended March 31, 2024 mostly consisted of \$15.01 billion for repurchases of our Class A common stock, \$3.16 billion of taxes paid related to net share settlement of RSUs, and \$1.27 billion of cash dividends paid for our common stock. The increase in cash used in financing activities during the three months ended March 31, 2024, compared to the same period in 2023, was mostly due to an increase in cash paid for repurchases of our Class A common stock, an increase in taxes paid related to net share settlement of employee RSU awards, and the dividends payments that began in March 2024.

Material Cash Requirements

We currently anticipate that our available funds and cash flow from operations and financing activities will be sufficient to meet our operational cash needs and fund our share repurchases and dividends payments for at least the next 12 months and thereafter for the foreseeable future. We continuously evaluate our liquidity and capital resources, including our access to external capital, to ensure we can finance our future capital requirements.

Leases and Contractual Commitments

Our operating lease obligations mostly include offices, data centers and colocations. Our facilities consolidation restructuring efforts did not materially change our operating lease obligations. Our contractual commitments are primarily related to our investments in servers, network infrastructure, and consumer hardware products in Reality Labs.

Long-term Debt

As of March 31, 2024, we had outstanding long-term debt in the form of senior unsecured notes for an aggregate principal amount of \$18.50 billion. These notes were issued in multiple series, which mature from 2027 through 2063. Short-term and long-term future interest payments obligations as of March 31, 2024 were \$848 million and \$16.19 billion, respectively.

Capital Return Program

Our board of directors has authorized a share repurchase program of our Class A common stock, which commenced in January 2017 and does not have an expiration date. During the three months ended March 31, 2024, we repurchased and subsequently retired 34 million shares of our Class A common stock for an aggregate amount of \$14.64 billion. As of March 31, 2024, \$66.40 billion remained available and authorized for repurchases.

On February 1, 2024, we announced the initiation of our first ever cash dividend program. During the three months ended March 31, 2024, we paid a cash dividend of \$0.50 per share of Class A and Class B common stock, totaling to \$1.27 billion. Subject to legally available funds and future declaration by our board of directors, we currently intend to continue to pay a quarterly cash dividend on our outstanding common stock.

Taxes

Cash paid for income taxes was \$630 million during the three months ended March 31, 2024. Subsequently, we also made a \$3.77 billion U.S. federal income tax payment in April 2024, including a \$575 million installment payment related to a one-time transition tax payable incurred as a result of the Tax Act.

Our long-term income taxes includes \$7.13 billion related to the uncertain tax positions as of March 31, 2024. Due to uncertainties in the timing of the completion of tax audits, the timing of the resolution of these positions is uncertain and we are unable to make a reasonably reliable estimate of the timing of payments.

Loss Contingencies

We are involved in legal proceedings, claims, and regulatory, tax or government inquiries and investigations. We record a liability when we believe that it is both probable that a liability has been incurred, and that the amount can be reasonably estimated. If we determine there is a reasonable possibility that we may incur a loss and the loss or range of loss can be estimated, we disclose the possible loss in the accompanying notes to the condensed consolidated financial statements to the extent material. Significant judgment is required to determine both probability and the estimated amount of loss. Such matters are inherently unpredictable and subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to be incorrect, it could have a material impact on our results of operations, financial position, and cash flows.

See Note 8 — Leases, Note 10 — Long-term Debt, Note 12 — Commitments and Contingencies, Note 13 — Stockholders' Equity, and Note 14 — Income Taxes in the notes to the condensed consolidated financial statements included in Part I, Item 1, and "Legal Proceedings" contained in Part II, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding leases and contractual commitments, debt, capital return program, taxes, and contingencies, respectively.

Critical Accounting Estimates

Our condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions based on historical experience and on various other assumptions that we believe are reasonable under the circumstances. Our actual results could differ from these estimates under different assumptions or conditions. Refer to "Critical Accounting Estimates" contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023 for a complete discussion of our critical accounting estimates. There have been no material changes to our critical accounting estimates since our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to our market risk during the three months ended March 31, 2024. For quantitative and qualitative disclosures about market risk, refer to Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk, from our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer (CEO) and chief financial officer (CFO), has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a- 15(e) and 15d- 15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our CEO and CFO have concluded that as of March 31, 2024, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that 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 rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, 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 and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

As a multinational company with a complex and evolving business, we are, and expect to continue to be, subject to numerous claims, litigation, regulatory, tax, and government inquiries and investigations, and other legal proceedings in jurisdictions around the world. Although we believe many of these matters are without merit and are vigorously defending them, we may not be successful. Any litigation to which we are a party may be resolved adversely or we may be subject to an unfavorable judgment that may not be reversed upon appeal. We may also decide to settle litigation, disputes, or other legal proceedings in some instances on terms that are unfavorable to us. In addition, we may become subject to orders or consent decrees imposed by government or regulatory authorities. Any such developments could cause us to incur substantial costs, expose us to civil and criminal liability (including liability for our personnel) or penalties (including substantial monetary remedies), interrupt or require us to change our business practices in a manner materially adverse to our business (including changes to our products and services or user data practices), result in negative publicity and reputational harm, divert resources and the time and attention of management from our business, or subject us to other structural or behavioral remedies that adversely affect our business. We have experienced such outcomes to varying degrees in the past, and we expect to continue to face a challenging litigation and regulatory environment, including in light of complex and evolving laws and regulations, as well as the scale of our business and the size of our user and advertiser base.

Over the last several years, the number and potential significance of the litigation and investigations involving the company have increased, and there can be no assurance that this trend will not continue. For example, we are facing numerous cases in the United States in which plaintiffs are attempting to avoid or limit the application of Section 230 of the Communications Decency Act to their claims. Outside of the United States, we are subject to new regulatory regimes, including the Digital Services Act, Digital Markets Act, and similar statutes in non-EU countries, and new fining guidelines under existing regulatory regimes like the General Data Protection Regulation (GDPR). We are facing inquiries and investigations regarding various aspects of our regulatory compliance, as well as private litigation in Europe, including class and mass actions, claiming damages and/or injunctions in respect of alleged failings to comply with such regulatory requirements. We are also responding to litigation and government investigations related to our alleged role in causing or contributing to various societal harms, including mental and physical health and safety impacts on users, particularly younger users, child and adult sexual exploitation, illegal activity with respect to drugs, fraud, unlawful discrimination, and other harms potentially impacting large numbers of people. This is in addition to significant tax, competition and antitrust, stockholder, commercial, consumer, and privacy litigation and investigations. Furthermore, as the number of our users and amount of our revenue have grown, our potential exposure to substantial damages awards and fines has increased.

In some instances, particularly with novel legal and factual claims, new regulatory regimes or statutes that have not previously been enforced, or where the nature or type of enforcement pursued against us is novel, it can be very difficult to assess the likelihood or extent of potential liabilities, including the applicability and amount of any fines or penalties. While we have identified below certain matters that we believe to be material, there can be no assurance that additional material losses or limitations on our activities will not result from claims that have not yet been asserted or are not yet determined to be material.

Privacy and Related Matters

Beginning on March 20, 2018, multiple putative class actions were filed in state and federal courts in the United States and elsewhere against us and certain of our directors and officers alleging various causes of action in connection with our platform and user data practices as well as the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies, and seeking unspecified damages and injunctive relief. With respect to the putative class actions alleging fraud and violations of consumer protection, privacy, and other laws in connection with the same matters, several of the cases brought on behalf of consumers in the United States were consolidated in the U.S. District Court for the Northern District of California (*In re Facebook, Inc., Consumer Privacy User Profile Litigation*). On September 9, 2019, the court granted, in part, and denied, in part, our motion to dismiss the consolidated putative consumer class action. On December 22, 2022, the parties entered into a settlement agreement to resolve the lawsuit, which provides for a payment of \$725 million by us. The settlement was approved by the court on October 10, 2023, and the payment was made in November 2023. In addition, our platform and user data practices, as well as the events surrounding the misuse of certain data by a developer, became the subject of U.S. Federal Trade Commission (FTC), state attorneys general, and other government inquiries in the United States, Europe, and other jurisdictions. We entered into a settlement and modified consent order to resolve the FTC inquiry, which took effect in April 2020 and required us to pay a penalty of \$5.0 billion and to significantly

enhance our practices and processes for privacy compliance and oversight. The state attorneys general inquiry and certain government inquiries in other jurisdictions remain ongoing and could subject us to additional substantial fines and costs, require us to change our business practices, divert resources and the attention of management from our business, or adversely affect our business. On July 16, 2021, a stockholder derivative action was filed in Delaware Court of Chancery against certain of our directors and officers asserting breach of fiduciary duty and related claims relating to our historical platform and user data practices, as well as our settlement with the FTC. On July 20, 2021, other stockholders filed an amended derivative complaint in a related Delaware Chancery Court action, asserting breach of fiduciary duty and related claims against certain of our current and former directors and officers in connection with our historical platform and user data practices. On November 4, 2021, the lead plaintiffs filed a second amended and consolidated complaint in the stockholder derivative action. The pending consolidated matter is *In re Facebook Inc. Derivative Litigation*. On January 19, 2022, we filed a motion to dismiss, which was denied in part on May 10, 2023. The insider trading claim was dismissed as to all defendants except Mark Zuckerberg, and the motion was denied as to the breach of fiduciary duty claims.

On May 3, 2023, the FTC filed a public administrative proceeding (*In the Matter of Facebook, Inc.*) seeking substantial changes to the modified consent order, which took effect in April 2020 after its entry by the U.S. District Court for the District of Columbia. The changes sought by the FTC are set forth in a proposed order and include, among others, a prohibition on our use of minors' data for any commercial purposes, changes to the composition of our board of directors, and significant limitations on our ability to modify and launch new products. On May 31, 2023, we filed a motion before the U.S. District Court for the District of Columbia (*USA v. Facebook, Inc.*) seeking to enjoin the FTC from further pursuing its agency process to modify the modified consent order. On November 27, 2023, the district court denied our motion, and we then appealed to the U.S. Court of Appeals for the District of Columbia Circuit (*U.S. v. Facebook, Inc.*) and sought to stay the FTC proceeding pending resolution of the appeal. On January 12, 2024, the district court denied our motion for a stay pending appeal. We subsequently filed a motion for a stay pending appeal with the U.S. Court of Appeals for the District of Columbia, which the appellate court denied on March 12, 2024. We will be briefing the underlying appeal in spring and summer 2024.

On November 29, 2023, we separately filed a complaint, also in the U.S. District Court for the District of Columbia (*Meta Platforms, Inc. v. FTC*), asserting constitutional challenges to the structure of the FTC, and seeking to preliminarily enjoin the FTC proceeding during the pendency of the litigation. On December 13, 2023, the U.S. Department of Justice (DOJ) filed an opposition to our motion for preliminary injunction and a motion to dismiss the complaint. On March 14, 2024, the district court denied our motion to preliminarily enjoin the FTC proceeding during the pendency of the litigation, and also denied the DOJ's motion to dismiss our complaint. We appealed the denial of our motion for a preliminary injunction to the U.S. Circuit Court of Appeals for the District of Columbia and sought to stay the FTC proceeding pending resolution of the appeal. The D.C. Circuit denied the stay motion on March 29, 2024. On April 1, 2024, we filed our response to the FTC's Order to Show Cause. Through the administrative process, the FTC could amend the order to impose the additional requirements set forth in the proposed order. We should have the opportunity to appeal an FTC decision modifying the order and could request the appellate court to stay the enforcement of the modifications to the order while the appeal is pending. It is unclear whether the appeal or the request for a stay would be successful.

We also notify the Irish Data Protection Commission (IDPC), our lead European Union privacy regulator under the GDPR, of certain other personal data breaches and privacy issues, and are subject to inquiries and investigations by the IDPC and other European regulators regarding various aspects of our regulatory compliance. For example, on May 12, 2023, the IDPC issued a Final Decision concluding that Meta Platforms Ireland's reliance on Standard Contractual Clauses in respect of certain transfers of European Economic Area (EEA) Facebook user data was not in compliance with the GDPR. The IDPC issued an administrative fine of EUR €1.2 billion as well as corrective orders requiring Meta Platforms Ireland to suspend the relevant transfers and to bring its processing operations into compliance with Chapter V GDPR by ceasing the unlawful processing, including storage, of such data in the United States. We are appealing this Final Decision and it is currently subject to an interim stay from the Irish High Court. On October 7, 2022, President Biden signed the Executive Order on Enhancing Safeguards for United States Signals Intelligence Activities (E.O.), and on June 30, 2023, the European Union and the three additional countries making up the EEA were designated by the United States Attorney General as a "qualifying state" under Section 3(f) of the E.O. On July 10, 2023, the European Commission adopted an adequacy decision in relation to the United States. The adequacy decision concludes that the United States ensures an adequate level of protection for personal data transferred from the European Union to organizations in the United States that are included in the "Data Privacy Framework List," maintained and made publicly available by the United States Department of Commerce pursuant to the EU-U.S. Data Privacy Framework (EU-U.S. DPF). The implementation of the EU-U.S. DPF and the adequacy decision are important and welcome milestones, and we are implementing steps to comply with the above corrective orders following engagement with the IDPC. For additional information, see Part II, Item 1A, "Risk Factors—Our business is subject to

complex and evolving U.S. and foreign laws and regulations regarding privacy, data use and data protection, content, competition, safety and consumer protection, e-commerce, and other matters" in this Quarterly Report on Form 10-Q. Any such inquiries or investigations (including the IDPC proceedings) could subject us to substantial fines and costs, require us to change our business practices, divert resources and the attention of management from our business, or adversely affect our business.

On February 14, 2022, the State of Texas filed a lawsuit against us in Texas state court (*Texas v. Meta Platforms, Inc.*) alleging that "tag suggestions" and other uses of facial recognition technology violate the Texas Capture or Use of Biometric Identifiers Act (CUBI) and the Texas Deceptive Trade Practices-Consumer Protection Act (DTPA), and seeking statutory damages and injunctive relief. The State of Texas alleges that these purported violations relate to approximately 30 million Texans over a period of approximately eleven years and that there were multiple violations per person. While the existence and number of potential violations will be disputed, CUBI provides for penalties up to \$25,000 per violation, and the DTPA provides for penalties up to \$10,000 per violation. The State of Texas has not indicated the amount of penalties it intends to seek at trial, but the amount of penalties sought by the State will likely be material. On April 19, 2024, the State of Texas filed a motion for summary judgment. The case is currently scheduled for trial in June 2024. We intend to defend the company vigorously both with respect to whether the statutes were violated and also as to the number of, and appropriate penalties for, any potential violations. The CUBI statute was enacted over twenty years ago and has never been enforced before. Accordingly, there is little legal guidance regarding how it should be interpreted or how its penalty provisions should be applied. In addition to defending the company at trial, we intend to defend the company vigorously on appeal in the event of an adverse jury award.

Beginning on June 7, 2021, multiple putative class actions were filed against us alleging that we improperly received individuals' information from third-party websites or apps via our business tools in violation of our terms and various state and federal laws and seeking unspecified damages and injunctive relief (for example, *In re Meta Pixel Healthcare Litigation*; *In re Meta Pixel Tax Filing Cases*; *Frasco v. Flo Health, Inc.*; *Doe v. Hey Favor, Inc. et al.*; *Doe v. GoodRx Holdings, Inc. et al.* in the U.S. District Court for the Northern District of California; and *Rickwalder, et al. v. Meta Platforms, Inc.* in the Santa Clara County Superior Court).

Competition

We are subject to various litigation and government inquiries and investigations, formal or informal, by competition authorities in the United States, Europe, and other jurisdictions. Such investigations, inquiries, and lawsuits concern, among other things, our business practices in the areas of social networking or social media services, digital advertising, and/or mobile or online applications, as well as our acquisitions. For example, in 2019 we became the subject of antitrust investigations by the FTC and DOJ. On December 9, 2020, the FTC filed a complaint (*FTC v. Meta Platforms, Inc.*) against us in the U.S. District Court for the District of Columbia alleging that we engaged in anticompetitive conduct and unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act and Section 2 of the Sherman Act, including by acquiring Instagram in 2012 and WhatsApp in 2014 and by maintaining conditions on access to our platform. The FTC sought a permanent injunction against our company's alleged violations of the antitrust laws, and other equitable relief, including divestiture or reconstruction of Instagram and WhatsApp. On June 28, 2021, the court granted our motion to dismiss the complaint filed by the FTC with leave to amend. On August 19, 2021, the FTC filed an amended complaint, and on October 4, 2021, we filed a motion to dismiss this amended complaint. On January 11, 2022, the court denied our motion to dismiss the FTC's amended complaint. On April 5, 2024, we filed our motion for summary judgment. Multiple putative class actions have also been filed in state and federal courts in the United States and in the United Kingdom against us alleging violations of antitrust laws and other causes of action in connection with these acquisitions and/or other alleged anticompetitive conduct, and seeking damages and injunctive relief. Several of the cases brought on behalf of certain advertisers and users in the United States were consolidated in the U.S. District Court for the Northern District of California (*Klein et al., v. Meta Platforms, Inc.*). On January 14, 2022, the court granted, in part, and denied, in part, our motion to dismiss the consolidated actions. On March 1, 2022, a first amended consolidated complaint was filed in the putative class action brought on behalf of certain advertisers. On December 6, 2022, the court denied our motion to dismiss the first amended consolidated complaint filed in the putative class action brought on behalf of certain advertisers. In December 2022, the European Commission issued a Statement of Objections alleging that we tie Facebook Marketplace to Facebook and use data in a manner that infringes European Union competition rules.

On February 6, 2019, the German Federal Cartel Office (FCO) issued an antitrust injunction order claiming that our terms and policies on data sharing across our apps, and collection from third-party websites via our business tools, breached European data protection principles and German competition law. We brought a lawsuit seeking to invalidate the order on

February 11, 2019. On March 24, 2021, the Higher Regional Court, Düsseldorf, Germany referred several questions to the Court of Justice of the European Union (CJEU) including certain questions regarding interpretation of the GDPR. On July 4, 2023, the CJEU issued a decision which in particular made it more difficult to rely on "legitimate interests," and "contractual necessity" as opposed to user "consent," as a legal basis for data processing under the GDPR for ads and personalization purposes.

The result of such litigation, investigations or inquiries could subject us to substantial monetary remedies and costs, interrupt or require us to change our business practices, divert resources and the attention of management from our business, or subject us to other structural or behavioral remedies that adversely affect our business.

Securities and Other Actions

Beginning on March 20, 2018, multiple putative class actions and derivative actions were filed in state and federal courts in the United States and elsewhere against us and certain of our directors and officers alleging violations of securities laws, breach of fiduciary duties, and other causes of action in connection with our platform and user data practices as well as the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies, and seeking unspecified damages and injunctive relief. Beginning on July 27, 2018, two putative class actions were filed in federal court in the United States against us and certain of our directors and officers alleging violations of securities laws in connection with the disclosure of our earnings results for the second quarter of 2018 and seeking unspecified damages. These two actions subsequently were transferred and consolidated in the U.S. District Court for the Northern District of California (*In Re Facebook, Inc. Securities Litigation*) with the putative securities class action described above relating to our platform and user data practices. In a series of orders in 2019 and 2020, the district court granted our motions to dismiss the plaintiffs' claims. On January 17, 2022, the plaintiffs filed a notice of appeal of the order dismissing their case, and on October 18, 2023, the U.S. Court of Appeals for the Ninth Circuit issued its decision affirming in part and reversing in part the district court's order dismissing the plaintiffs' case.

We are also subject to other government inquiries and investigations relating to our business activities and disclosure practices. For example, beginning in September 2021, we became subject to government investigations and requests relating to a former employee's allegations and release of internal company documents concerning, among other things, our algorithms, advertising and user metrics, and content enforcement practices, as well as misinformation and other undesirable activity on our platform, and user well-being. We have since received additional requests relating to these and other topics. Beginning on October 27, 2021, multiple putative class actions and derivative actions were filed in the U.S. District Court for the Northern District of California against us and certain of our directors and officers alleging violations of securities laws, breach of fiduciary duties, and other causes of action in connection with the same matters, and seeking unspecified damages. *Ohio Pub. Empl. Ret. Sys. v. Meta Platforms, Inc.*

On March 8, 2022, a putative class action was filed in the U.S. District Court for the Northern District of California against us and certain of our directors and officers alleging violations of securities laws in connection with the disclosure of our earnings results for the fourth quarter of 2021 and seeking unspecified damages (*Plumbers & Steamfitters Local 60 Pension Trust v. Meta Platforms, Inc.*). On July 18, 2023, the court dismissed the claims against Meta and its officers with leave to amend. On September 18, 2023, the plaintiffs filed an amended complaint.

Youth-Related Actions

Beginning in January 2022, we became subject to litigation and other proceedings that were filed in various federal and state courts alleging that Facebook and Instagram cause "social media addiction" in users, with most proceedings focused on those under 18 years old, resulting in various mental health and other harms. Putative class actions have been filed in the United States and Canada on behalf of users in those jurisdictions, and numerous school districts, municipalities, tribal nations, and one state in the United States have filed public nuisance claims based on similar allegations. On October 6, 2022, the federal cases were centralized in the U.S. District Court for the Northern District of California (*In re Social Media Adolescent Addiction Product Liability Personal Injury Litigation*). On October 13, 2023, in *In re Social Media Cases*, the Los Angeles County Superior Court presiding over the California state court proceedings sustained in part and overruled in part our demurrer as to the plaintiff's claims. Beginning in October 2023, additional U.S. states have filed lawsuits on these topics in various federal and state courts. These additional lawsuits include allegations regarding violations of the Children's Online Privacy Protection Act (COPPA) as well as violations of state laws concerning consumer protection, unfair business practices, and products liability, with proceedings focused on our alleged business practices and harms to users under 18 years old. These lawsuits seek damages and injunctive relief, and include cases filed by various state attorneys general in *In*

re Social Media Adolescent Addiction Product Liability Personal Injury Litigation in the U.S. District Court for the Northern District of California, as well as various state courts around the country. We are also subject to government investigations and requests from multiple regulators concerning the use of our products and services, and the alleged mental and physical health and safety impacts on users, particularly younger users.

Other Actions

Beginning on August 15, 2018, multiple putative class actions were filed against us alleging that we inflated our estimates of the potential audience size for advertisements, resulting in artificially increased demand and higher prices. The cases were consolidated in the U.S. District Court for the Northern District of California (*DZ Reserve v. Facebook, Inc.*) and seek unspecified damages and injunctive relief. In a series of rulings in 2019, 2021, and 2022, the court dismissed certain of the plaintiffs' claims, but permitted their fraud and unfair competition claims to proceed. On March 29, 2022, the court granted the plaintiffs' motion for class certification. On March 21, 2024, the U.S. Court of Appeals for the Ninth Circuit affirmed in part and reversed in part the order granting class certification.

Beginning on July 7, 2023, multiple putative class actions were filed against us in the U.S. District Court for the Northern District of California (*Kadrey, et al. v. Meta Platforms, Inc. and Chabon, et al. v. Meta Platforms, Inc.*) and U.S. District Court for the Southern District of New York (*Huckabee, et al. v. Meta Platforms, Inc. et al.*), which was subsequently transferred to the U.S. District Court for the Northern District of California) alleging that we used various copyrighted books and materials to train our artificial intelligence models, and seeking unspecified damages and injunctive relief.

In the first quarter of 2024, the U.S. Supreme Court heard argument in *Vivek H. Murthy, Surgeon General, et al. v. Missouri, et al.*, on the question of whether federal government officials violated the First Amendment in their communications with the company and others related to content moderation practices, and heard argument in *Netchoice, et al. v. Paxton and Moody, et al. v. Netchoice et al.*, regarding the application of the First Amendment relating to content moderation on tech platforms. Although Meta is not a party in these actions, the Supreme Court's decision and ultimate resolution of the lawsuits could impact our business.

In addition, we are subject to litigation and other proceedings involving law enforcement and other regulatory agencies, including in particular in Brazil, Russia, and other countries in Europe, in order to ascertain the precise scope of our legal obligations to comply with the requests of those agencies, including our obligation to disclose user information in particular circumstances. A number of such instances have resulted in the assessment of fines and penalties against us. We believe we have multiple legal grounds to satisfy these requests or prevail against associated fines and penalties, and we intend to vigorously defend such fines and penalties.

We are also party to various other legal proceedings, claims, and regulatory, tax or government inquiries and investigations that arise in the ordinary course of business, and we expect to be subject to additional legal proceedings and disputes in the future.

Item 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition, and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Quarterly Report on Form 10-Q, including our condensed consolidated financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of our Class A common stock could decline, and you could lose part or all of your investment.

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

Risks Related to Our Product Offerings

- our ability to add and retain users and maintain levels of user engagement with our products;
- the loss of, or reduction in spending by, our marketers;
- reduced availability of data signals used by our ad targeting and measurement tools;
- ineffective operation with mobile operating systems or changes in our relationships with mobile operating system partners;
- failure of our new products, or changes to our existing products, to attract or retain users or generate revenue;

Risks Related to Our Business Operations and Financial Results

- our ability to compete effectively;
- fluctuations in our financial results;
- unfavorable media coverage and other risks affecting our ability to maintain and enhance our brands;
- our ability to build, maintain, and scale our technical infrastructure, and risks associated with disruptions in our service, catastrophic events, and crises;
- operating our business in multiple countries around the world;
- acquisitions and our ability to successfully integrate our acquisitions;
- litigation, including class action lawsuits;

Risks Related to Government Regulation and Enforcement

- government restrictions on access to Facebook or our other products, or other actions that impair our ability to sell advertising, in their countries;
- complex and evolving U.S. and foreign privacy, data use and data protection, content, competition, consumer protection, and other laws and regulations, including the General Data Protection Regulation (GDPR), Digital Markets Act (DMA), and Digital Services Act (DSA);
- the impact of government investigations, enforcement actions, and settlements, including litigation and investigations by privacy, consumer protection, and competition authorities, among others;
- our ability to comply with regulatory and legislative privacy requirements, including our consent order with the Federal Trade Commission (FTC);

Risks Related to Data, Security, Platform Integrity, and Intellectual Property

- the occurrence of security breaches, improper access to or disclosure of our data or user data, and other cyber incidents, as well as intentional misuse of our services and other undesirable activity on our platform;
- our ability to obtain, maintain, protect, and enforce our intellectual property rights; and

Risks Related to Ownership of Our Class A Common Stock

- limitations on the ability of holders of our Class A Common Stock to influence corporate matters due to the dual class structure of our common stock and the control of a majority of the voting power of our outstanding capital stock by our founder, Chairman, and Chief Executive Officer (CEO).

Risks Related to Our Product Offerings

If we fail to retain existing users or add new users, or if our users decrease their level of engagement with our products, our revenue, financial results, and business may be significantly harmed.

The size of our active user base and our users' level of engagement across our products are critical to our success. Our financial performance has been and will continue to be significantly determined by our success in adding, retaining, and engaging active users of our products that deliver ad impressions, particularly for Facebook and Instagram. We have experienced, and expect to continue to experience, fluctuations and declines in the size of our active user base in one or more markets from time to time, particularly in markets where we have achieved higher penetration rates. User growth and engagement are also impacted by a number of other factors, including competitive products and services, such as TikTok, that have reduced some users' engagement with our products and services, as well as global and regional business, macroeconomic, and geopolitical conditions. For example, the COVID-19 pandemic led to increases and decreases in the size and engagement of our active user base from period to period at different points during the pandemic. In addition, in connection with the war in Ukraine, access to Facebook and Instagram was restricted in Russia and these services were then prohibited by the Russian government, which contributed to slight decreases in the size of our active user base following the onset of the war. Any future declines in the size of our active user base may adversely impact our ability to deliver ad impressions and, in turn, our financial performance.

If people do not perceive our products to be useful, reliable, and trustworthy, we may not be able to attract or retain users or otherwise maintain or increase the frequency and duration of their engagement. A number of other social networking companies that achieved early popularity have since seen their active user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our active user base or engagement levels. Our user engagement patterns have changed over time, and user engagement can be difficult to measure, particularly as we and our competitors introduce new and different products and services. Any number of factors can negatively affect user retention, growth, and engagement, including if:

- users increasingly engage with other competitive products or services;
- we fail to introduce new features, products, or services that users find engaging or if we introduce new products or services, or make changes to existing products and services, that are not favorably received;
- users feel that their experience is diminished as a result of the decisions we make with respect to the frequency, prominence, format, size, and quality of ads that we display;
- users have difficulty installing, updating, or otherwise accessing our products on mobile devices as a result of actions by us or third parties that we rely on to distribute our products and deliver our services;
- user behavior on any of our products changes, including decreases in the quality and frequency of content shared on our products and services;
- we are unable to continue to develop products for mobile devices that users find engaging, that work with a variety of mobile operating systems and networks, and that achieve a high level of market acceptance;
- there are decreases in user sentiment due to questions about the quality or usefulness of our products or our user data practices, concerns about the nature of content made available on our products, or concerns related to privacy, safety, security, well-being, or other factors;

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- we are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful, and relevant to them;
- we are unable to obtain or attract engaging third-party content;
- we are unable to successfully maintain or grow usage of and engagement with applications that integrate with our products;
- users adopt new technologies where our products may be displaced in favor of other products or services, or may not be featured or otherwise available;
- there are changes mandated by legislation, government and regulatory authorities, or litigation that adversely affect our products or users;
- we are unable to offer a number of our most significant products and services, including Facebook and Instagram, in Europe, or are otherwise limited in our business operations, as a result of European courts invalidating the EU-U.S. DPF or regulators, courts, or legislative bodies determining that the legal bases we rely upon to transfer user data from the European Union to the United States are invalid;
- there is decreased engagement with our products, or failure to accept our terms of service, as part of changes that we have implemented or may implement in the future, whether voluntarily, in connection with the GDPR, the European Union's ePrivacy Directive, the DMA, the DSA, U.S. state privacy and youth social media laws including the California Consumer Privacy Act, as amended by the California Privacy Rights Act (CCPA), Arkansas Social Media Safety Act, Florida Digital Bill of Rights, Ohio Parental Notification Act, Utah Social Media Regulation Act, or other laws, regulations, or regulatory actions, or otherwise;
- technical or other problems prevent us from delivering our products in a rapid and reliable manner or otherwise affect the user experience, such as security breaches or failure to prevent or limit spam or otherwise objectionable content, or users feel their experience is diminished as a result of our efforts to protect the security and integrity of our platform;
- we adopt terms, policies, or procedures related to areas such as sharing, content, user data, or advertising, or we take, or fail to take, actions to enforce our policies, that are perceived negatively by our users or the general public, including as a result of decisions or recommendations from the independent Oversight Board regarding content on our platform;
- we elect to focus our product decisions on longer-term initiatives that do not prioritize near-term user growth and engagement (for example, we have announced plans to focus product decisions on optimizing the young adult experience in the long term);
- we make changes in our user account login or registration processes or changes in how we promote different products and services across our family of products;
- initiatives designed to attract and retain users and engagement, including the use of evolving technologies such as generative artificial intelligence, are unsuccessful or discontinued, whether as a result of actions by us, our competitors, or other third parties, or otherwise;
- third-party initiatives that may enable greater use of our products, including low-cost or discounted data plans, are scaled back or discontinued, or the pricing of data plans otherwise increases;
- there is decreased engagement with our products as a result of taxes imposed on the use of social media or other mobile applications in certain countries, internet shutdowns, or other actions by governments that affect the accessibility of our products in their countries (for example, beginning in the first quarter of 2022, our user growth and engagement were adversely affected by the war in Ukraine and service restrictions imposed by the Russian government);
- we fail to provide adequate customer service to users, marketers, developers, or other partners;
- we, developers whose products are integrated with our products, or other partners and companies in our industry are the subject of adverse media reports or other negative publicity, including as a result of our or their user data practices; or

- our current or future products, such as our development tools and application programming interfaces that enable developers to build, grow, and monetize applications, reduce user activity on our products by making it easier for our users to interact and share on third-party applications.

From time to time, certain of these factors have negatively affected user retention, growth, and engagement to varying degrees. If we are unable to maintain or increase our user base and user engagement, particularly for our significant revenue-generating products like Facebook and Instagram, our revenue and financial results may be adversely affected. Any significant decrease in user retention, growth, or engagement could render our products less attractive to users, marketers, and developers, which is likely to have a material and adverse impact on our ability to deliver ad impressions and, accordingly, our revenue, business, financial condition, and results of operations. As the size of our active user base fluctuates in one or more markets from time to time, we will become increasingly dependent on our ability to maintain or increase levels of user engagement and monetization in order to grow revenue.

We generate substantially all of our revenue from advertising. The loss of marketers, or reduction in spending by marketers, could seriously harm our business.

Substantially all of our revenue is currently generated from marketers advertising on Facebook and Instagram. As is common in the industry, our marketers do not have long-term advertising commitments with us. Many of our marketers spend only a relatively small portion of their overall advertising budget with us. Marketers will not continue to do business with us, or they will reduce the budgets they are willing to commit to us, if we do not deliver ads in an effective manner, if they do not believe that their investment in advertising with us will generate a competitive return relative to other alternatives, or if they are not satisfied for any other reason. We have implemented, and we will continue to implement, changes to our user data practices. Some of these changes reduce our ability to effectively target ads, which has to some extent adversely affected, and will continue to adversely affect, our advertising business. If we are unable to provide marketers with a suitable return on investment, the demand for our ads may not increase, or may decline, in which case our revenue and financial results may be harmed.

Our advertising revenue can also be adversely affected by a number of other factors, including:

- decreases in user engagement, including time spent on our products;
- our inability to continue to increase user access to and engagement with our products;
- product changes or inventory management decisions we may make that change the size, format, frequency, or relative prominence of ads displayed on our products or of other unpaid content shared by marketers on our products;
- our inability to maintain or increase marketer demand, the pricing of our ads, or both;
- our inability to maintain or increase the quantity or quality of ads shown to users;
- changes to the content or application of third-party policies that limit our ability to deliver, target, or measure the effectiveness of advertising, including changes by mobile operating system and browser providers such as Apple and Google;
- adverse litigation, government actions, or legislative, regulatory, or other legal developments relating to advertising, including developments that may impact our ability to deliver, target, or measure the effectiveness of advertising;
- user behavior or product changes that may reduce traffic to features or products that we monetize at a higher rate, such as our Feed and Stories products, including as a result of increased usage of our Reels or other video or messaging products;
- reductions of advertising by marketers due to our efforts to implement or enforce advertising policies that protect the security and integrity of our platform;
- the availability, accuracy, utility, and security of analytics and measurement solutions offered by us or third parties that demonstrate the value of our ads to marketers, or our ability to further improve such tools;
- loss of advertising market share to our competitors, including if prices to purchase our ads increase or if competitors offer lower priced, more integrated, or otherwise more effective products;

- limitations on our ability to offer a number of our most significant products and services, including Facebook and Instagram, in Europe as a result of European courts invalidating the EU-U.S. DPF or regulators, courts, or legislative bodies determining that the legal bases we rely upon to transfer user data from the European Union to the United States are invalid;
- limitations on our ability to deliver ads to users under the age of 18 and, in some cases, to continue to offer certain products or services to certain cohorts of users, whether voluntarily, as a result of new laws and regulations in the United States and other jurisdictions, or otherwise;
- changes in our marketing and sales or other operations that we are required to or elect to make as a result of risks related to complying with laws or regulatory requirements or other government actions;
- decisions by marketers to reduce their advertising as a result of announcements by us or adverse media reports or other negative publicity involving us, our user data practices, our advertising metrics or tools, content on our products, our interpretation, implementation, or enforcement of policies relating to content on our products (including as a result of decisions or recommendations from the independent Oversight Board), developers with applications that are integrated with our products, or other companies in our industry;
- reductions of advertising by marketers due to illegal, illicit, or otherwise objectionable content made available on our products by third parties, questions about our user data practices or the security of our platform, concerns about brand safety or potential legal liability, or uncertainty regarding their own legal and compliance obligations;
- the effectiveness of our ad targeting or degree to which users consent to or opt out of the use of data for ads, including as a result of product changes and controls that we have implemented or may implement in the future in connection with the GDPR, ePrivacy Directive, CCPA, DMA, other laws, regulations, regulatory actions, or litigation, or otherwise, that impact our ability to use data for advertising purposes (for example, in November 2023, in response to regulatory developments in Europe, we began offering our users a "subscription for no ads" alternative in the EU, EEA, and Switzerland);
- the degree to which users cease or reduce the number of times they engage with our ads;
- changes in the way advertising on mobile devices or on personal computers is measured or priced;
- the success of technologies designed to block the display of ads or ad measurement tools;
- changes in the composition of our marketer base or our inability to maintain or grow our marketer base; and
- the impact of macroeconomic and geopolitical conditions, whether in the advertising industry in general, or among specific types of marketers or within particular geographies, which in turn can have broader effects in other regions (for example, the war in Ukraine and service restrictions imposed by the Russian government have adversely affected our advertising business in Europe and other regions, and advertiser spending also can be subject to adverse effects from the Israel-Hamas war).

From time to time, certain of these factors have adversely affected our advertising revenue to varying degrees. The occurrence of any of these or other factors in the future could result in a reduction in demand for our ads, which may reduce the prices we receive for our ads, or cause marketers to stop advertising with us altogether, either of which would negatively affect our revenue and financial results.

Our ad targeting and measurement tools incorporate data signals from user activity on websites and services that we do not control, as well as signals generated within our products, and changes to the regulatory environment, third-party mobile operating systems and browsers, and our own products have impacted, and we expect will continue to impact, the availability of such signals, which will adversely affect our advertising revenue.

Our ad targeting and measurement tools rely on data signals from user activity on websites and services that we do not control, as well as signals generated within our products, in order to deliver relevant and effective ads to our users, and any changes in our ability to use such signals will adversely affect our business. For example, legislative and regulatory developments, such as the GDPR, ePrivacy Directive, DMA, and U.S. state privacy laws, including the CCPA, have impacted, and we expect will continue to impact, our ability to use such signals in our ad products. In particular, we have seen increases in the number of users opting to control certain types of ad targeting in Europe following product changes implemented in connection with our GDPR and ePrivacy Directive compliance, and we have introduced product changes that limit data signal

use for certain users in California following adoption of the CCPA. Several recently enacted U.S. state privacy laws, such as the Texas Data Privacy and Security Act, the Colorado Privacy Act, and the Oregon Consumer Privacy Act, are introducing additional rights for users and could result in restrictions on our use of signals from third-party apps and websites through certain browser- and device-based universal opt-out mechanisms. Judicial and regulatory guidance, decisions, or enforcement actions, or new legislation in these or other jurisdictions may require us to make additional changes to our products in the future that further reduce our ability to use these signals, which has occurred in the past. For example, in response to regulatory developments in Europe, we announced plans to change the legal basis for behavioral advertising on Facebook and Instagram in the European Union, European Economic Area, and Switzerland from "legitimate interests" to "consent," and in November 2023 we began offering users in the region a "subscription for no ads" alternative. We are engaging with regulators on our consent model, including regarding compliance with requirements under the GDPR, DMA, and EU consumer laws. For example, in March 2024, the European Commission opened formal proceedings regarding the compliance of our consent model with requirements under the DMA.

In addition, mobile operating system and browser providers, such as Apple and Google, have implemented product changes and/or announced future plans to limit the ability of websites and application developers to collect and use these signals to target and measure advertising. For example, in 2021, Apple made certain changes to its products and data use policies in connection with changes to its iOS operating system that reduce our and other iOS developers' ability to target and measure advertising, which has negatively impacted, and we expect will continue to negatively impact, the size of the budgets marketers are willing to commit to us and other advertising platforms. In addition, we have implemented, and may continue to implement, product changes that give users the ability to limit our use of such data signals to improve ads and other experiences on our products and services, including changes implemented in connection with the GDPR, ePrivacy Directive, DMA, and other regulatory frameworks.

These developments have limited our ability to target and measure the effectiveness of ads on our platform and negatively impacted our advertising revenue. For example, our advertising revenue has been negatively impacted by marketer reaction to targeting and measurement challenges associated with iOS changes beginning in 2021. If we are unable to mitigate these developments as they take further effect in the future, our targeting and measurement capabilities will be materially and adversely affected, which would in turn significantly impact our advertising revenue.

Our user growth, engagement, and monetization on mobile devices depend upon effective operation with mobile operating systems, networks, technologies, products, and standards that we do not control.

The substantial majority of our revenue is generated from advertising on mobile devices. There is no guarantee that popular mobile devices will continue to feature our products, or that mobile device users will continue to use our products rather than competing products. We are dependent on the interoperability of our products with popular mobile operating systems, networks, technologies, products, and standards that we do not control, such as the Android and iOS operating systems and mobile browsers. Changes, bugs, or technical issues in such systems, or changes in our relationships with mobile operating system partners, handset manufacturers, browser developers, or mobile carriers, or in the content or application of their terms of service or policies (which they have made in the past and continue to seek to implement) that degrade our products' functionality, reduce or eliminate our ability to update or distribute our products, give preferential treatment to competitive products, limit our ability to deliver, target, or measure the effectiveness of ads, or charge fees related to the distribution of our products or our delivery of ads have adversely affected, and could in the future adversely affect, the usage of our products and monetization on mobile devices. For example, Apple previously released an update to its Safari browser that limits the use of third-party cookies, which reduces our ability to provide the most relevant ads to our users and impacts monetization, and also released changes to iOS that limit our ability to target and measure ads effectively, while expanding their own advertising business. In addition, in January 2024, Google began the process of phasing out third-party cookies in its Chrome browser. We expect that any similar changes to Apple's, Google's, or other browser or mobile platforms will further limit our ability to target and measure the effectiveness of ads and impact monetization. Additionally, in order to deliver high quality mobile products, it is important that our products work well with a range of mobile technologies, products, systems, networks, and standards that we do not control, and that we have good relationships with handset manufacturers, mobile carriers, and browser developers. We may not be successful in maintaining or developing relationships with key participants in the mobile ecosystem or in developing products that operate effectively with these technologies, products, systems, networks, or standards. In the event that it is more difficult for our users to access and use our products on their mobile devices, or if our users choose not to access or use our products on their mobile devices or use mobile products that do not offer access to our products, our user growth and user engagement could be harmed. From time to time, we may also take actions regarding the distribution of our products or the operation of our business based on what we believe to be in our long-term best interests. Such actions may adversely affect our users and our relationships with the operators of mobile operating systems, handset manufacturers, mobile carriers, browser developers, other business partners, or advertisers, and there is no assurance that these actions will result in the anticipated long-

term benefits. In the event that our users are adversely affected by these actions or if our relationships with such third parties deteriorate, our user growth, engagement, and monetization could be adversely affected and our business could be harmed. We have experienced challenges in operating with mobile operating systems, networks, technologies, products, and standards that we do not control, and any such occurrences in the future may negatively impact our user growth, engagement, and monetization on mobile devices, which may in turn materially and adversely affect our business and financial results.

Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits, or otherwise adversely affect our business.

Our ability to retain, increase, and engage our user base and to increase our revenue depends heavily on our ability to continue to evolve our existing products and to create successful new products, both independently and in conjunction with developers or other third parties. We may introduce significant changes to our existing products or acquire or introduce new and unproven products, including using technologies with which we have little or no prior development or operating experience. For example, we have relatively limited experience with consumer hardware products and virtual, augmented, and mixed reality technology, which may adversely affect our ability to successfully develop and market these evolving products and technologies. We are also making significant investments in artificial intelligence (AI) initiatives across our business. For example, we continue to launch new AI features on our products, including conversational AIs, stickers, and editing tools. We continue to incur substantial costs, and we may not be successful in generating profits, in connection with these efforts.

In addition, we have invested, and expect to continue to invest, significant resources in growing our messaging products to support increasing usage of such products. We have historically monetized messaging in only a limited fashion, and we may not be successful in our efforts to generate meaningful revenue or profits from messaging over the long term. We also recently commenced implementation of end-to-end encryption across our messaging services on Facebook and Instagram, which has been subject to governmental and regulatory scrutiny in multiple jurisdictions. For example, in February 2024, the Nevada Attorney General filed a lawsuit seeking to enjoin our offering of end-to-end encryption on Messenger for all Nevada residents under the age of 18.

If our new products or changes to existing products fail to engage users, marketers, or developers, or if our business plans are unsuccessful, we may fail to attract or retain users or to generate sufficient revenue, operating margin, or other value to justify our investments, and our business may be adversely affected.

We may not be successful in our artificial intelligence initiatives, which could adversely affect our business, reputation, or financial results.

We are making significant investments in AI initiatives, including generative AI, to, among other things, recommend relevant content across our products, enhance our advertising tools, develop new products, and develop new features for existing products. In particular, we expect our AI initiatives will require increased investment in infrastructure and headcount. If our investments are not successful longer-term, our business and financial performance could be harmed.

There are significant risks involved in developing and deploying AI and there can be no assurance that the usage of AI will enhance our products or services or be beneficial to our business, including our efficiency or profitability. For example, our AI-related efforts, particularly those related to generative AI, subject us to risks related to harmful or illegal content, accuracy, misinformation and deepfakes (including related to elections), bias, discrimination, toxicity, intellectual property infringement or misappropriation, defamation, data privacy, cybersecurity, and sanctions and export controls, among others. It is also uncertain how various laws related to online services, intermediary liability, and other issues will apply to content generated by AI. In addition, we are subject to the risks of new or enhanced governmental or regulatory scrutiny, litigation, or other legal liability, ethical concerns, negative consumer perceptions as to automation and AI, activities that threaten people's safety or well-being on- or offline, or other complications that could adversely affect our business, reputation, or financial results.

As a result of the complexity and rapid development of AI, it is also the subject of evolving review by various governmental and regulatory agencies in jurisdictions around the world, which are applying, or are considering applying, platform moderation, intellectual property, cybersecurity, export controls, and data protection laws to AI and/or are considering general legal frameworks on AI (such as the EU AI Act). We may not always be able to anticipate how courts and regulators will apply existing laws to AI, predict how new legal frameworks will develop to address AI, or otherwise respond to these frameworks as they are still rapidly evolving. We may also have to expend resources to adjust our offerings in certain jurisdictions if the legal frameworks on AI are not consistent across jurisdictions.

Further, we face significant competition from other companies that are developing their own AI features and technologies. Other companies may develop AI features and technologies that are similar or superior to our technologies or are more cost-effective to develop and deploy. Given the long history of development in the AI sector, other parties may have (or in the future may obtain) patents or other proprietary rights that would prevent, limit, or interfere with our ability to make, use, or sell our own AI features. Our AI initiatives also depend on our access to data to effectively train our models. Further, our ability to continue to develop and effectively deploy AI technologies is dependent on access to specific third-party equipment and other physical infrastructure, such as processing hardware and network capacity, as to which we cannot control the availability or pricing, especially in a highly competitive environment.

We are also developing AI technology that we make available via open source, commercial, and non-commercial license agreements to third-parties that can use this technology for use in their own products and services. We may not have insight into, or control over, the practices of third parties who may utilize such AI technologies. As such, we cannot guarantee that third parties will not use such AI technologies for improper purposes, including through the dissemination of illegal, inaccurate, defamatory or harmful content, intellectual property infringement or misappropriation, furthering bias or discrimination, cybersecurity attacks, data privacy violations, other activities that threaten people's safety or well-being on- or offline, or to develop competing technologies. While we may mitigate certain risks associated with the improper use of our AI models through both technical measures and the inclusion of contractual restrictions on third-party use in any agreement between us and any third party, we cannot guarantee that such measures will be effective. Such improper use by any third party could adversely affect our business, reputation, or financial results or subject us to legal liability.

It is not possible to predict all of the risks related to the use of AI and changes in laws, rules, directives, and regulations governing the use of AI may adversely affect our ability to develop and use AI or subject us to legal liability.

We make product and investment decisions that may not prioritize short-term financial results and may not produce the long-term benefits that we expect.

We frequently make product and investment decisions that may not prioritize short-term financial results if we believe that the decisions are consistent with our mission and benefit the aggregate user experience and will thereby improve our financial performance over the long term. For example, we have implemented, and we will continue to implement, changes to our user data practices. Some of these changes reduce our ability to effectively target ads, which has to some extent adversely affected, and will continue to adversely affect, our advertising business. For example, our "Your Activity off-Meta Technologies" tool enables users to place limits on our storage and use of information about their interactions with advertisers' apps and websites, which reduces our ability to deliver the most relevant and effective ads to our users. Similarly, from time to time we update our Feed display and ranking algorithms or other product features to improve the user experience, and these changes have had, and may in the future have, the effect of reducing time spent and some measures of user engagement with our products, which could adversely affect our financial results. From time to time, we also change the size, frequency, or relative prominence of ads as part of our product and monetization strategies. In addition, we have made, and we expect to continue to make, other changes to our products which may adversely affect the distribution of content of publishers, marketers, and developers, and could reduce their incentive to invest in their efforts on our products. We also may introduce new features or other changes to existing products, or introduce new stand-alone products, that attract users away from properties, formats, or use cases where we have more proven means of monetization, such as our Feed products. In addition, as we focus on growing users and engagement across our family of products, from time to time these efforts have reduced, and may in the future reduce, engagement with one or more products and services in favor of other products or services that we monetize less successfully or that are not growing as quickly. For example, we plan to continue to promote Reels, which we expect will continue to monetize at a lower rate than our Feed and Stories products for the foreseeable future. These decisions may adversely affect our business and results of operations and may not produce the long-term benefits that we expect.

We may not be successful in our metaverse strategy and investments, which could adversely affect our business, reputation, or financial results.

We believe the metaverse, an embodied internet where people have immersive experiences beyond two-dimensional screens, is the next evolution in social technology. In 2021, we announced a shift in our business and product strategy to focus on helping to bring the metaverse to life. We expect this will be a complex, evolving, and long-term initiative that will involve the development of new and emerging technologies, continued investment in infrastructure as well as privacy, safety, and security efforts, and collaboration with other companies, developers, partners, and other participants. However, the metaverse may not develop in accordance with our expectations, and market acceptance of features, products, or services we build for the metaverse is uncertain. We regularly evaluate our product roadmaps and make significant changes as our understanding of the technological challenges and market landscape and our product ideas and designs evolve. In addition, we have relatively limited

experience with consumer hardware products and virtual, augmented, and mixed reality technology, which may enable other companies to compete more effectively than us. We may be unsuccessful in our research and product development efforts, including if we are unable to develop relationships with key participants in the metaverse or develop products that operate effectively with metaverse technologies, products, systems, networks, or standards. For example, some of our consumer hardware products depend on the ability to operate with third-party mobile platforms and these platforms do not necessarily provide our products with the same levels of interoperability that they provide to their own competing products. In addition, our metaverse efforts may also divert resources and management attention from other areas of our business. We expect to continue to make significant investments in virtual, augmented, and mixed reality and other technologies to support these efforts, and our ability to support these efforts is dependent on generating sufficient profits from other areas of our business. In addition, as our metaverse efforts evolve, we may be subject to a variety of existing or new laws and regulations in the United States and international jurisdictions, including in the areas of privacy, safety, competition, content regulation, consumer protection, and e-commerce, which may delay or impede the development of our products and services, increase our operating costs, require significant management time and attention, or otherwise harm our business. As a result of these or other factors, our metaverse strategy and investments may not be successful in the foreseeable future, or at all, which could adversely affect our business, reputation, or financial results.

If we are not able to maintain and enhance our brands, our ability to maintain or expand our base of users, marketers, and developers may be impaired, and our business and financial results may be harmed.

We believe that our brands have significantly contributed to the success of our business. We also believe that maintaining and enhancing our brands is critical to maintaining and expanding our base of users, marketers, and developers. Many of our new users are referred by existing users. Maintaining and enhancing our brands will depend largely on our ability to continue to provide useful, reliable, trustworthy, and innovative products, which we may not do successfully. We may introduce new products, terms of service, or policies that users do not like, which may negatively affect our brands. Additionally, the actions of our developers or advertisers may affect our brands if users do not have a positive experience using third-party applications integrated with our products or interacting with parties that advertise through our products. We will also continue to experience media, legislative, or regulatory scrutiny of our actions or decisions regarding user privacy, data use, encryption, content, product design, algorithms, advertising, competition, generative AI, younger users, and other issues, including actions or decisions in connection with elections or geopolitical events, which has adversely affected, and may in the future adversely affect, our reputation and brands. For example, beginning in September 2021, we became the subject of media, legislative, and regulatory scrutiny as a result of a former employee's allegations and release of internal company documents relating to, among other things, our algorithms, advertising and user metrics, and content enforcement practices, as well as misinformation and other undesirable activity on our platform, and user well-being. In addition, in March 2018, we announced developments regarding the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies. We also may fail to respond expeditiously or appropriately to the sharing of content on our services, or to practices by advertisers or developers, that are illegal, illicit, or in violation of our policies, or fail to otherwise enforce our policies, address objectionable content or practices on our services, or address other user concerns, which has occurred in the past and which could erode confidence in our brands.

Our brands may also be negatively affected by the actions of users that are deemed to be hostile or inappropriate to other users, by the actions of users acting under false or inauthentic identities, by the use of our products or services to disseminate information that is deemed to be misleading (or intended to manipulate opinions), by perceived or actual efforts by governments to obtain access to user information for security-related purposes or to censor certain content on our platform, by the use of our products or services for illicit or objectionable ends, including, for example, any such actions around geopolitical events or elections in the United States and around the world, by decisions or recommendations regarding content on our platform from the independent Oversight Board, by research or media reports concerning the perceived or actual impacts of our products or services on user well-being, by our decisions regarding whether to remove content or suspend participation on our platform by persons who violate our community standards or terms of service, or by any negative sentiment associated with our management.

Maintaining and enhancing our brands will require us to make substantial investments and these investments may not be successful. Certain of our actions, such as the foregoing matter regarding developer misuse of data and concerns around our handling of political speech and advertising, hate speech, and other content, as well as user well-being issues, have eroded confidence in our brands and may continue to do so in the future. If we fail to successfully promote and maintain our brands or if we incur excessive expenses in this effort, our business and financial results may be adversely affected.

We may not be able to continue to successfully maintain or grow usage of and engagement with applications that integrate with our products.

We have made and are continuing to make investments to enable developers to build, grow, and monetize applications that integrate with our products. Such existing and prospective developers may not be successful in building, growing, or monetizing applications that create and maintain user engagement. Additionally, developers may choose to build on other platforms, including platforms controlled by third parties, rather than building products that integrate with our products. We are continuously seeking to balance the distribution objectives of our developers with our desire to provide an optimal user experience, and we may not be successful in achieving a balance that continues to attract and retain such developers. For example, from time to time, we have taken actions to reduce the volume of communications from these developers to users on our products with the objective of enhancing the user experience, and such actions have reduced distribution from, user engagement with, and our monetization opportunities from, applications integrated with our products. In addition, as part of our efforts related to privacy, safety, and security, we conduct investigations and audits of platform applications from time to time, and we also have announced several product changes that restrict developer access to certain user data. In some instances, these actions, as well as other actions to enforce our policies applicable to developers, have adversely affected, or will adversely affect, our relationships with developers. If we are not successful in our efforts to maintain or grow the number of developers that choose to build products that integrate with our products or if we are unable to continue to build and maintain good relations with such developers, our user growth and user engagement and our financial results may be adversely affected.

Risks Related to Our Business Operations and Financial Results

Our business is highly competitive. Competition presents an ongoing threat to the success of our business.

We compete with companies providing connection, sharing, discovery, and communication products and services to users online, as well as companies that sell advertising to businesses looking to reach consumers and/or develop tools and systems for managing and optimizing advertising campaigns. We face significant competition in every aspect of our business, including, but not limited to, companies that facilitate the ability of users to create, share, communicate, and discover content and information online or enable marketers to reach their existing or prospective audiences. We compete to attract, engage, and retain people who use our products, to attract and retain businesses that use our free or paid business and advertising services, and to attract and retain developers who build compelling applications that integrate with our products. We also compete with companies that develop and deliver consumer hardware and virtual, augmented, and mixed reality products and services. We also expect to face additional competition as we introduce or acquire new products, as our existing products evolve, or as other companies introduce new products and services, including as part of efforts to develop the metaverse or innovate through the development and application of new technologies such as AI.

Some of our current and potential competitors may have greater resources, experience, or stronger competitive positions in certain product segments, geographic regions, or user demographics than we do. For example, some of our competitors may be domiciled in different countries and subject to political, legal, and regulatory regimes that enable them to compete more effectively than us. These factors may allow our competitors to respond more effectively than us to new or emerging technologies and changes in market conditions. We believe that some users, particularly younger users, are aware of and actively engaging with other products and services similar to, or as a substitute for, our products and services, and we believe that some users have reduced their use of and engagement with our products and services in favor of these other products and services. In addition, from time to time we make updates to our products and services to improve the user experience (including to help provide users with safe, positive, age-appropriate experiences), and these changes have had, and may in the future have, the effect of reducing time spent and some measures of user engagement with our products and services. In the event that users increasingly engage with other products and services, we may experience a decline in use and engagement in key user demographics or more broadly, in which case our business would likely be harmed.

Our competitors may develop products, features, or services that are similar to ours or that achieve greater acceptance, may undertake more far-reaching and successful product development efforts or marketing campaigns, or may adopt more aggressive pricing policies. Some competitors may gain a competitive advantage against us in areas where we operate, including: by making acquisitions; by limiting our ability to deliver, target, or measure the effectiveness of ads; by imposing fees or other charges related to our applications or our delivery of ads; by making access to our products more difficult or impossible; by making it more difficult to communicate with our users; by limiting the ability of our devices or products to interoperate with their popular platforms or products; or by integrating competing platforms, applications, or features into products they control such as mobile device operating systems, search engines, browsers, or e-commerce platforms. For example, each of Apple and Google have integrated competitive products with iOS and Android, respectively. In addition, Apple has released changes to iOS that limit our ability, and the ability of others in the digital advertising industry, to target and

measure ads effectively. As a result, our competitors may, and in some cases will, acquire and engage users or generate advertising or other revenue at the expense of our own efforts, which would negatively affect our business and financial results. In addition, from time to time, we may take actions in response to competitive threats, but we cannot assure you that these actions will be successful or that they will not negatively affect our business and financial results.

We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance, and reliability of our products compared to our competitors' products;
- the size and composition of our user base;
- the engagement of users with our products and competing products;
- our ability to attract and retain businesses who use our free or paid business and advertising services;
- the timing and market acceptance of products, including developments and enhancements to our or our competitors' products;
- our safety and security efforts and our ability to protect user data and to provide users with control over their data;
- our ability to distribute our products to new and existing users;
- our ability to monetize our products;
- the frequency, size, format, quality, and relative prominence of the ads displayed by us or our competitors;
- customer service and support efforts;
- marketing and selling efforts, including our ability to measure the effectiveness of our ads and to provide marketers with a compelling return on their investments;
- our ability to establish and maintain developers' interest in building applications that integrate with our products;
- our ability to establish and maintain publisher interest in integrating their content with our products;
- changes mandated by legislation, regulatory authorities, or litigation, some of which may have a disproportionate effect on us;
- acquisitions or consolidation within our industry, which may result in more formidable competitors;
- our ability to attract, retain, and motivate talented employees, particularly software engineers, designers, and product managers;
- our ability to cost-effectively manage our operations; and
- our reputation and brand strength relative to those of our competitors.

If we are not able to compete effectively, our user base, level of user engagement, and ability to deliver ad impressions may decrease, we may become less attractive to developers and marketers, and our revenue and results of operations may be materially and adversely affected.

Our financial results will fluctuate from quarter to quarter and are difficult to predict.

Our quarterly financial results have fluctuated in the past and will fluctuate in the future. Additionally, we have a limited operating history with the current scale of our business, which makes it difficult to forecast our future results. As a result, you should not rely upon our past quarterly financial results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our financial results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

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- our ability to maintain and grow our user base and user engagement, particularly for our products that deliver ad impressions;
- our ability to attract and retain marketers in a particular period;
- our ability to recognize revenue or collect payments from marketers or advertising agencies or resellers in a particular period;
- fluctuations in spending by our marketers due to seasonality, such as historically strong spending in the fourth quarter of each year, episodic regional or global events, or other factors;
- the frequency, prominence, size, format, and quality of ads shown to users;
- the success of technologies designed to block the display of ads;
- changes to the content or application of third-party policies that limit our ability to deliver, target, or measure the effectiveness of advertising, including changes by mobile operating system and browser providers such as Apple and Google;
- the pricing of our ads and other products;
- the diversification and growth of revenue sources beyond advertising on Facebook and Instagram;
- our ability to generate revenue from Payments, or the sale of our consumer hardware products or other products we may introduce in the future;
- changes to existing products or services or the development and introduction of new products or services by us or our competitors;
- user behavior or product changes that may reduce traffic to features or products that we successfully monetize;
- increases in marketing, sales, and other operating expenses, as well as capital expenditures, that we will incur to grow and expand our business and to remain competitive, including costs related to our data centers and technical infrastructure as well as other costs relating to our AI initiatives;
- costs related to our privacy, safety, security, and content review efforts, including as a result of implementing changes to our practices, whether voluntarily, in connection with laws, regulations, regulatory actions, or decisions or recommendations from the independent Oversight Board, or otherwise;
- costs and expenses related to the development, manufacturing, and delivery of our consumer hardware products;
- our ability to maintain gross margins and operating margins;
- costs related to acquisitions, including costs associated with amortization and additional investments to develop the acquired technologies;
- charges associated with impairment or abandonment of any assets on our balance sheet, including as a result of changes to our real property lease arrangements and data center assets;
- our ability to obtain equipment, components, and labor for our data centers and other technical infrastructure in a timely and cost-effective manner;
- system failures or outages or government blocking that prevent us from serving ads for any period of time;
- breaches of security or privacy, and the costs associated with any such breaches and remediation;
- changes in the manner in which we distribute our products or inaccessibility of our products due to third-party actions;
- fees paid to third parties for content or the distribution of our products;
- refunds or other concessions provided to advertisers;

- share-based compensation expense, including acquisition-related expense;
- adverse litigation judgments, settlements, or other litigation-related costs;
- changes in the legislative or regulatory environment, including with respect to privacy, data protection, antitrust, content, or AI, or actions by governments or regulators, including fines, orders, or consent decrees;
- the overall tax rate for our business, which is affected by the mix of income we earn in the U.S. and in jurisdictions with different tax rates, the effects of share-based compensation, the effects of integrating intellectual property from acquisitions, the effects of changes in our business or structure, and the effects of discrete items such as legal and tax settlements and tax elections;
- the impact of changes in tax laws or judicial or regulatory interpretations of tax laws, which are recorded in the period such laws are enacted or interpretations are issued, and may significantly affect the effective tax rate of that period;
- tax obligations that may arise from resolutions of tax examinations, including the examination we are currently under by the Internal Revenue Service (IRS), that materially differ from the amounts we have anticipated;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- trading activity in our share repurchase program;
- fluctuations in the market values of our investments in marketable securities, in the valuation of our non-marketable equity securities, and in interest rates;
- the incurrence of indebtedness or our ability to refinance existing indebtedness on acceptable terms;
- changes in U.S. generally accepted accounting principles; and
- changes in regional or global business, macroeconomic, or geopolitical conditions, which may impact the other factors described above.

Unfavorable media coverage negatively affects our business.

We receive a high degree of media coverage around the world. Our reputation has been, and could in the future be, adversely affected by unfavorable publicity regarding, for example, our privacy practices, advertising policies, product decisions, product quality, litigation or regulatory activity, government surveillance, the actions of our advertisers, the actions of our developers whose products are integrated with our products, the use of our products or services for illicit or objectionable ends, the substance or enforcement of our community standards, terms of service, or other policies, the actions of our users, the quality and integrity of content shared on our platform, the perceived or actual impacts of our products or services on user well-being, our management, or the actions of other companies that provide similar services to ours. For example, we have been the subject of significant media coverage involving concerns around our handling of political speech and advertising, hate speech, and other content, as well as user well-being issues, and we continue to receive negative publicity related to these topics. Beginning in September 2021, we became the subject of significant media coverage as a result of allegations and the release of internal company documents by a former employee. In addition, we have been, and may in the future be, subject to negative publicity in connection with our handling of misinformation and other illicit or objectionable use of our products or services, including in connection with geopolitical events and elections in the United States and around the world. Any such negative publicity could have an adverse effect on the size, engagement, and loyalty of our user base and marketer demand for advertising on our products, which could result in decreased revenue and adversely affect our business and financial results, and we have experienced such adverse effects to varying degrees from time to time.

We are subject to the risk of catastrophic events and crises, which may have a significant adverse impact on our business and operations.

We are subject to the risk of public health crises such as pandemics, earthquakes, adverse weather conditions, other natural disasters, terrorism, geopolitical conflict, other physical security threats, power loss, cyber-attacks, and other catastrophic events and crises. For example, the COVID-19 pandemic previously significantly impacted our business and results of operations. In particular, the pandemic resulted in authorities implementing numerous preventative measures from time to time to contain or mitigate the outbreak of the virus, such as travel bans and restrictions, limitations on business activity,

quarantines, and shelter-in-place orders, which caused business slowdowns or shutdowns in certain affected countries and regions. These developments led to volatility in the demand for and pricing of our advertising services at various points throughout the pandemic, and we may experience similar effects in the future as a result of the pandemic or other catastrophic events. Such events also expose our business, operations, and workforce to a variety of other risks, including: volatility in the size of our user base and user engagement; delays in product development or releases, or reductions in manufacturing production and sales of consumer hardware, as a result of inventory shortages, supply chain or labor shortages; significant volatility and disruption of global financial markets, which could cause fluctuations in currency exchange rates or negatively impact our ability to access capital in the future; illnesses to key employees, or a significant portion of our workforce, which may result in inefficiencies, delays, and disruptions in our business; and increased volatility and uncertainty in the financial projections we use as the basis for estimates used in our financial statements. Any of these developments may adversely affect our business, harm our reputation, or result in legal or regulatory actions against us.

We incur significant expenses in operating our business, and some of our investments, particularly our investments in Reality Labs, have the effect of reducing our operating margin and profitability. If our investments are not successful longer-term, our business and financial performance will be harmed.

We incur significant expenses in operating our business, and we expect our expenses to continue to increase in the future as we broaden our user base, as users increase the amount and types of content they consume and the data they share with us, for example with respect to video, as we develop and implement new products, as we market new and existing products and promote our brands, as we continue to expand our technical infrastructure, as we continue to invest in new and unproven technologies, including AI and machine learning, and as we continue our efforts to focus on privacy, safety, security, and content review. We have recently undertaken cost reduction measures in light of a more challenging operating environment, which may adversely affect these or other business initiatives, and some of these measures have involved, and may in the future involve, up-front charges and outlays of cash to reduce certain longer-term expenses. In addition, from time to time we are subject to settlements, judgments, fines, or other monetary penalties in connection with legal and regulatory developments that may be material to our business. We are also continuing to increase our investments in new platforms and technologies, including as part of our efforts related to building the metaverse. Some of these investments, particularly our significant investments in Reality Labs, have generated only limited revenue and reduced our operating margin and profitability, and we expect the adverse financial impact of such investments to continue for the foreseeable future. For example, our investments in Reality Labs reduced our 2023 overall operating profit by approximately \$16.12 billion, and we expect our Reality Labs investments and operating losses to increase meaningfully in 2024. If our investments are not successful longer-term, our business and financial performance will be harmed.

Our business is dependent on our ability to maintain and scale our technical infrastructure, and any significant disruption in our products and services could damage our reputation, result in a potential loss of users and engagement, and adversely affect our financial results.

Our reputation and ability to attract, retain, and serve our users is dependent upon the reliable performance of our products and services and our underlying technical infrastructure. We have experienced, and may in the future experience, interruptions in the availability or performance of our products and services from time to time. Our systems may not be adequately designed or may not operate with the reliability and redundancy necessary to avoid performance delays or outages that could be harmful to our business. If our products or services are unavailable when users attempt to access them, or if they do not load as quickly as expected, users may not use our products or services as often in the future, or at all, and our ability to serve ads may be disrupted, any of which could adversely affect our business and financial performance. We have experienced such issues to varying degrees from time to time. In addition, as the amount and types of information shared on our products continue to grow and evolve, as the usage patterns of our global community continue to evolve, and as our internal operational demands continue to grow, especially with the deployment of AI technologies, we will need an increasing amount of technical infrastructure, including network capacity, computing power, and related energy requirements, to continue to satisfy our needs. Although we are making significant investments in our technical infrastructure, it is possible that we may fail to continue to effectively scale and grow our technical infrastructure to accommodate these increased demands or achieve our business objectives, which may adversely affect our user engagement and advertising revenue. In addition, our business may be subject to interruptions, delays, or failures resulting from earthquakes, adverse weather conditions, other natural disasters, power loss, terrorism, geopolitical conflict, other physical security threats, cyber-attacks, or other catastrophic events and crises. Global climate change could result in certain types of natural disasters occurring more frequently or with more intense effects. Any such events may result in users being subject to service disruptions or outages and we may not be able to recover our technical infrastructure and user data in a timely manner to restart or provide our services, which may adversely affect our financial results. We also have been, and may in the future be, subject to increased energy and/or other costs to maintain the availability or performance of our products and services in connection with any such events.

A substantial portion of our technical infrastructure is provided by third parties. Any disruption or failure in the services we receive from these providers could harm our ability to handle existing or increased traffic and could significantly harm our business. Any financial or other difficulties these providers face may adversely affect our business, and we exercise little control over these providers, which increases our vulnerability to problems with the services they provide. We have experienced, and expect to continue to experience, various challenges with the supply chain related to supporting our technical infrastructure. As a result, we have adjusted, and may continue to adjust in the future, our procurement practices to adapt to the evolving landscape. We may not be able to secure sufficient components, equipment, or services from third parties to satisfy our needs, or we may be required to procure such components, equipment, or services on unfavorable terms.

Any of these developments may result in interruptions in the availability or performance of our products or services, require unfavorable changes to existing products or services, delay the introduction of future products or services, or otherwise adversely affect our business and financial results.

We have experienced, and could experience in the future, difficulties in building and operating key portions of our technical infrastructure.

We have designed and built our own data centers and key portions of our technical infrastructure through which we serve our products, and we plan to continue to significantly expand the size of our infrastructure primarily through data centers, subsea and terrestrial fiber optic cable systems, and other projects. The infrastructure expansion we are undertaking is complex and involves projects in multiple locations around the world, including in developing regions that expose us to increased risks relating to anti-corruption compliance, trade compliance, and political challenges, among others. We have changed, suspended, and terminated certain of these projects as a result of various factors, and may continue to do so in the future. Additional unanticipated delays or disruptions in the completion of these projects, including due to the availability of components, power or network capacity, or any shortage of labor necessary in building portions of such projects, challenges in obtaining required government or regulatory approvals, or other geopolitical challenges or actions by governments, whether as a result of trade disputes or otherwise, may lead to increased project costs, operational inefficiencies, interruptions in the delivery or degradation of the quality or reliability of our products and services, or impairment of assets on our balance sheet. For example, like others in our industry, we rely on certain third-party equipment and components for our technical infrastructure that are manufactured by a small number of third parties, often with significant operations in a single region such as Asia. Any of the foregoing delays or disruptions, including actions by governments or geopolitical events such as international conflicts, could result in tariffs, sanctions, export or import controls, and other measures that restrict international trade, could reduce or eliminate the ability of our suppliers, manufacturers, or other third-party providers to continue their operations to manufacture, or limit or eliminate our ability to purchase, key components of our technical infrastructure.

In addition, there may be issues related to this infrastructure that are not identified during the testing phases of design and implementation, which may only become evident after we have started to fully utilize the underlying equipment, that could further degrade the user experience or increase our costs. Further, much of our technical infrastructure is located outside the United States, and action by a foreign government, or our response to such government action, has resulted, and may result in the future, in the impairment of a portion of our technical infrastructure, which may interrupt the delivery or degrade the quality or reliability of our products and lead to a negative user experience or increase our costs. Any of these events could adversely affect our business, reputation, or financial results.

Real or perceived inaccuracies in our community and other metrics may harm our reputation and negatively affect our business.

The numbers for our key metrics, which include our DAP and average revenue per person (ARPP), are calculated using internal company data based on the activity of user accounts. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring usage of our products across large online and mobile populations around the world. The methodologies used to measure these metrics require significant judgment and are also susceptible to algorithm or other technical errors. In addition, we are continually seeking to improve our estimates of our user base, and such estimates may change due to improvements or changes in our methodology. We regularly review our processes for calculating these metrics, and from time to time we discover inaccuracies in our metrics or make adjustments to improve their accuracy, which can result in adjustments to our historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments. We generally do not intend to update previously disclosed Family metrics for any such inaccuracies or adjustments that are within the error margins disclosed below.

In addition, our Family metrics estimates will differ from estimates published by third parties due to differences in methodology or other factors such as data limitations or other challenges in measuring large online and mobile populations. For example, our methodologies include measurements of our user base that have in some instances exceeded estimates of addressable online and mobile populations that are based on data published by third parties.

Many people in our community have user accounts on more than one of our products, and some people have multiple user accounts within an individual product. Accordingly, for our Family metrics, we do not seek to count the total number of user accounts across our products because we believe that would not reflect the actual size of our community. Rather, our Family metrics represent our estimates of the number of unique people using at least one of Facebook, Instagram, Messenger, and WhatsApp. We do not require people to use a common identifier or link their accounts to use multiple products in our Family, and therefore must seek to attribute multiple user accounts within and across products to individual people. To calculate these metrics, we rely upon complex techniques, algorithms and machine learning models that seek to count the individual people behind user accounts, including by matching multiple user accounts within an individual product and across multiple products when we believe they are attributable to a single person, and counting such group of accounts as one person. These techniques and models require significant judgment, are subject to data and other limitations discussed below, and inherently are subject to statistical variances and uncertainties. We estimate the potential error in our Family metrics primarily based on user survey data as described further below, which itself is subject to error as well. While we expect the error margin for our Family metrics to vary from period to period, we estimate that such margin generally will be approximately 3% of our worldwide DAP. At our scale, it is very difficult to attribute multiple user accounts within and across products to individual people, and it is possible that the actual numbers of unique people using our products may vary significantly from our estimates, potentially beyond our estimated error margins. As a result, it is also possible that our Family metrics may indicate changes or trends in user numbers that do not match actual changes or trends.

To calculate our estimates of DAP, we currently use a series of machine learning models that are developed based on internal reviews of limited samples of user accounts and calibrated against user survey data. We apply significant judgment in designing these models and calculating these estimates. For example, to match user accounts within individual products and across multiple products, we use data signals such as similar device information, IP addresses, and user names. We also calibrate our models against data from periodic user surveys of varying sizes and frequency across our products, which survey questions are based on monthly usage, and which are inherently subject to error. The timing and results of such user surveys have in the past contributed, and may in the future contribute, to changes in our reported Family metrics from period to period. In addition, our data limitations may affect our understanding of certain details of our business and increase the risk of error for our Family metrics estimates. Our techniques and models rely on a variety of data signals from different products, and we rely on more limited data signals for some products compared to others. For example, as a result of limited visibility into encrypted products, we have fewer data signals from WhatsApp user accounts and primarily rely on phone numbers and device information to match WhatsApp user accounts with accounts on our other products. Any loss of access to data signals we use in our process for calculating Family metrics, whether as a result of our own product decisions, actions by third-party browser or mobile platforms, regulatory or legislative requirements, or other factors, also may impact the stability or accuracy of our reported Family metrics, as well as our ability to report these metrics at all. Our estimates of Family metrics also may change as our methodologies evolve, including through the application of new data signals or technologies, product changes, or other improvements in our user surveys, algorithms, or machine learning that may improve our ability to match accounts within and across our products or otherwise evaluate the broad population of our users. In addition, such evolution may allow us to identify previously undetected violating accounts (as defined below).

We regularly evaluate our Family metrics to estimate the percentage of our DAP consisting solely of "violating" accounts. We define "violating" accounts as accounts which we believe are intended to be used for purposes that violate our terms of service, including bots and spam. In the first quarter of 2024, we estimated that less than 3% of our worldwide DAP consisted solely of violating accounts. Such estimation is based on an internal review of a limited sample of accounts, and we apply significant judgment in making this determination. For example, we look for account information and behaviors associated with Facebook and Instagram accounts that appear to be inauthentic to the reviewers, but we have limited visibility into WhatsApp user activity due to encryption. In addition, if we believe an individual person has one or more violating accounts, we do not include such person in our violating accounts estimation as long as we believe they have one account that does not constitute a violating account. From time to time, we disable certain user accounts, make product changes, or take other actions to reduce the number of violating accounts among our users, which may also reduce our DAP estimates in a particular period. We intend to disclose our estimates of the percentage of our DAP consisting solely of violating accounts on an annual basis in our Annual Report on Form 10-K. Violating accounts are very difficult to measure at our scale, and it is possible that the actual number of violating accounts may vary significantly from our estimates.

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Other data limitations also may affect our understanding of certain details of our business. For example, while user-provided data indicates a decline in usage among younger users, this age data may be unreliable because a disproportionate number of our younger users register with an inaccurate age. Accordingly, our understanding of usage by age group may not be complete.

Our estimates for revenue by user location, as well as year-over-year percentage changes in ad impressions delivered and the average price per ad by user location, are also affected by data limitations and other challenges in measuring user geography. Our data regarding the geographic location of our users is estimated based on a number of factors, such as the user's IP address and self-disclosed location. These factors may not always accurately reflect the user's actual location. For example, a user may appear to be accessing our products from the location of the proxy server that the user connects to rather than from the user's actual location. The methodologies used to measure our metrics are also susceptible to algorithm or other technical errors.

In addition, from time to time we provide, or rely on, certain other metrics and estimates, including those relating to the reach and effectiveness of our ads. Many of our metrics involve the use of estimations and judgments, and our metrics and estimates are subject to software bugs, inconsistencies in our systems, and human error. Such metrics and estimates also change from time to time due to improvements or changes in our terminology or methodology, including as a result of loss of access to data signals we use in calculating such metrics and estimates. We have been, and may in the future be, subject to litigation as well as marketer, regulatory, and other inquiries regarding the accuracy of such metrics and estimates. Where marketers, developers, or investors do not perceive our metrics or estimates to be accurate, or where we discover material inaccuracies in our metrics or estimates, we may be subject to liability, our reputation may be harmed, and marketers and developers may be less willing to allocate their budgets or resources to our products that deliver ad impressions, which could negatively affect our business and financial results.

We cannot assure you that we will effectively manage our scale.

Our employee headcount and the scale and complexity of our business have increased significantly over time. The scale of our business and breadth of our products create significant challenges for our management, operational, and financial resources, including managing multiple relationships with users, marketers, developers, and other third parties, and maintaining information technology systems and internal controls and procedures that support the scale and complexity of our business. In addition, some members of our management do not have significant experience managing a large global business operation, so our management may not be able to manage our scale effectively. To effectively manage our scale, we must maintain, and continue to adapt, our operational, financial, and management processes and systems, manage our headcount and facilities, and effectively train and manage our personnel. Many of our personnel work remotely, which may lead to challenges in productivity and collaboration. In addition, from time to time, we implement organizational changes to pursue greater efficiency and realign our business and strategic priorities. For example, in 2022 and 2023, we announced several initiatives, including restructurings, employee layoffs, and measures to scale down our office facilities, but we cannot guarantee that they will achieve our intended results. These efforts also subject us to risks such as greater than anticipated costs, adverse effects on employee retention, and increased difficulty managing the scale and complexity of our business. For example, we could face delays or challenges with product development, other business and strategic initiatives, or legal and regulatory compliance, as well as other disruptions to our operations. As our organization continues to evolve, and we are required to implement and adapt complex organizational management structures, we may find it difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. Any of these developments could negatively affect our business, reputation, or financial results.

We have significant international operations, which subject us to increased business, economic, and legal risks that could affect our financial results.

We have significant international operations. We currently make our Family products available in more than 100 different languages, and we have offices or data centers in approximately 40 different countries. We may enter new international regions where we have limited or no experience in marketing, selling, and deploying our products. Our products are generally available globally, but some or all of our products or functionality may not be available in certain regions due to legal and regulatory complexities. For example, several of our products are not generally available in China. We also outsource certain operational functions to third parties globally. If we fail to deploy, manage, or oversee our international operations successfully, our business may suffer. In addition, we are subject to a variety of risks inherent in doing business internationally, including:

- political, social, or economic instability;

- risks related to legal, regulatory, and other government scrutiny applicable to U.S. companies with sales and operations in foreign jurisdictions, including with respect to privacy, tax, law enforcement, content, trade compliance, supply chain, competition, consumer protection, intellectual property, environmental, health and safety, accessibility, licensing, and infrastructure matters;
- potential damage to our brand and reputation due to compliance with local laws, including potential censorship or requirements to provide user information to local authorities;
- enhanced difficulty in reviewing content on our platform and enforcing our community standards across different languages and countries;
- fluctuations in currency exchange rates and compliance with currency controls;
- foreign exchange controls and tax and other regulations and orders that might prevent us from repatriating cash earned in countries outside the United States or otherwise limit our ability to move cash freely, and impede our ability to invest such cash efficiently;
- higher levels of credit risk and payment fraud;
- enhanced difficulties of integrating any foreign acquisitions;
- burdens of complying with a variety of foreign laws, including laws related to taxation, content removal, content moderation, data localization, data protection, competition, e-commerce and payments, and regulatory oversight;
- reduced protection for intellectual property rights in some countries;
- difficulties in staffing, managing, and overseeing global operations and the increased travel, infrastructure, and legal compliance costs associated with multiple international locations, including difficulties arising from personnel working remotely;
- compliance with statutory equity requirements and management of tax consequences; and
- geopolitical events affecting us, our marketers or our industry, including trade disputes, armed conflicts, and pandemics.

In addition, we must manage the potential conflicts between locally accepted business practices in any given jurisdiction and our obligations to comply with laws and regulations, including anti-corruption laws or regulations applicable to us, such as the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010. We also must manage our obligations to comply with laws and regulations related to import and export controls, trade restrictions, and sanctions, including regulations established by the U.S. Office of Foreign Assets Control. Government agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against companies for violations of anti-corruption laws or regulations, import and export controls, trade restrictions, sanctions, and other laws, rules, and regulations.

If we are unable to expand internationally and manage the complexity of our global operations successfully, our financial results could be adversely affected. We also may be required to or elect to cease or modify our operations or the offering of our products and services in certain regions, including as a result of the risks described above, which could adversely affect our business, user growth and engagement, and financial results.

We face design, manufacturing, and supply chain risks with respect to our consumer hardware products that, if not properly managed, could adversely impact our financial results.

We face a number of risks related to design, manufacturing, and supply chain management with respect to our consumer hardware products. For example, the consumer hardware products we sell from time to time have had, and in the future may have, quality issues resulting from the design or manufacture of the products, or from the software used in the products. Sometimes, these issues may be caused by components we purchase from other manufacturers or suppliers. Our brand and financial results could be adversely affected by any such quality issues, other failures to meet our customers' expectations, or findings of our consumer hardware products to be defective.

We rely on third parties to manufacture and manage the logistics of transporting and distributing our consumer hardware products, which subjects us to a number of risks. The manufacturing of our consumer hardware products depends on a small

number of third parties, often with significant operations in a single region such as Asia. We have experienced, and may in the future experience, supply or labor shortages or other disruptions in logistics and the supply chain, which could result in shipping delays and negatively impact our operations, product development, and sales. We could be negatively affected if we are not able to engage third parties with the necessary capabilities or capacity on reasonable terms, or if those we engage with fail to meet their obligations (whether due to financial difficulties, manufacturing or supply constraints, or other reasons), or make adverse changes in the pricing or other material terms of such arrangements with them. The manufacturing, distribution, and sale of our consumer hardware products also may be negatively impacted by macroeconomic conditions, geopolitical challenges, trade disputes, or other actions by governments (including international conflicts that could result in tariffs, sanctions, export controls, and other measures that restrict international trade) that subject us to supply shortages, increased costs, or supply chain or logistics disruptions.

We also require the suppliers and business partners of our consumer hardware products to comply with laws and certain company policies regarding sourcing practices and standards on labor, trade compliance, health and safety, the environment, and business ethics, but we do not control them or their practices and standards. If any of them violates laws, fails to implement changes in accordance with newly enacted laws, or implements practices or standards regarded as unethical, corrupt, or non-compliant, we could experience supply chain disruptions, government action or fines, canceled orders, or damage to our reputation.

We face inventory risk with respect to our consumer hardware products.

We are exposed to inventory risks with respect to our consumer hardware products as a result of rapid changes in product cycles and pricing, unsafe or defective merchandise, supply chain disruptions, changes in consumer demand and consumer spending patterns, changes in consumer tastes with respect to our consumer hardware products, and other factors. The demand for our products can also change significantly between the time inventory or components are ordered and the date of sale. While we endeavor to accurately predict these trends and avoid overstocking or understocking consumer hardware products we may sell, from time to time we have experienced difficulties in accurately predicting and meeting the consumer demand for our products. In addition, when we begin selling or manufacturing a new consumer hardware product or enter new international regions, it may be difficult to establish vendor relationships, determine appropriate product or component selection, and accurately forecast demand. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable. Any one of the foregoing factors may adversely affect our operating results.

We plan to continue to make acquisitions and pursue other strategic transactions, which could impact our financial condition or results of operations and may adversely affect the price of our common stock.

As part of our business strategy, we have made and intend to continue to make acquisitions to add specialized employees and complementary companies, products, or technologies, and from time to time may enter into other strategic transactions such as investments and joint ventures. We may not be able to find suitable acquisition candidates, and we may not be able to complete acquisitions or other strategic transactions on favorable terms, or at all, including as a result of regulatory challenges. For example, we completed our divestiture of Giphy in 2023 following the United Kingdom Competition and Markets Authority's order directing us to divest Giphy post-acquisition. In addition, although we were able to successfully complete the acquisition after prevailing in federal court, the FTC sought to enjoin our proposed acquisition of Within Unlimited. In some cases, the costs of such acquisitions or other strategic transactions may be substantial, and there is no assurance that we will realize expected synergies and potential monetization opportunities for our acquisitions or a favorable return on investment for our strategic investments.

We may pay substantial amounts of cash or incur debt to pay for acquisitions or other strategic transactions, which has occurred in the past and could adversely affect our liquidity. The incurrence of indebtedness also results in increased fixed obligations and increased interest expense, and could also include covenants or other restrictions that would impede our ability to manage our operations. We may also issue equity securities to pay for acquisitions and we regularly grant restricted stock units to retain the employees of acquired companies, which could increase our expenses, adversely affect our financial results, and result in dilution to our stockholders. In addition, any acquisitions or other strategic transactions we announce could be viewed negatively by users, marketers, developers, or investors, which may adversely affect our business or the price of our Class A common stock.

We may also discover liabilities, deficiencies, or other claims associated with the companies or assets we acquire that were not identified in advance, which may result in significant unanticipated costs. The effectiveness of our due diligence review and our ability to evaluate the results of such due diligence are dependent upon the accuracy and completeness of statements and disclosures made or actions taken by the companies we acquire or their representatives, as well as the limited

amount of time in which acquisitions are executed. In addition, we may fail to accurately forecast the financial impact of an acquisition or other strategic transaction, including tax and accounting charges. Acquisitions or other strategic transactions may also result in our recording of significant additional expenses to our results of operations and recording of substantial finite-lived intangible assets on our balance sheet upon closing. Any of these factors may adversely affect our financial condition or results of operations.

We may not be able to successfully integrate our acquisitions, and we incur significant costs to integrate and support the companies we acquire.

The integration of acquisitions requires significant time and resources, particularly with respect to companies that have significant operations or that develop products where we do not have prior experience, and we may not manage these processes successfully. We have made, and may in the future make, substantial investments of resources to support our acquisitions, which can result in significant ongoing operating expenses and the diversion of resources and management attention from other areas of our business. We cannot assure you that these investments will be successful. If we fail to successfully integrate the companies we acquire, we may not realize the benefits expected from the transaction and our business may be harmed.

We are involved in numerous class action lawsuits and other litigation matters that are expensive and time consuming, and, if resolved adversely, could harm our business, financial condition, or results of operations.

We are involved in numerous lawsuits, including stockholder derivative lawsuits and putative class action lawsuits, many of which claim statutory damages and/or seek significant changes to our business operations, and we anticipate that we will continue to be a target for numerous lawsuits in the future. Because of the scale of our user, advertiser, and developer base, the plaintiffs in class action cases filed against us typically claim enormous monetary damages even if the alleged per-user or entity harm is small or non-existent. In addition, we have faced, currently face, and will continue to face additional class action and other lawsuits based on claims related to advertising, antitrust, privacy, security, biometrics, content, algorithms, copyright, user well-being, employment, contingent workers, activities on our platform, consumer protection, or product performance or other claims related to the use of consumer hardware and software, including virtual reality technology and products, which are new and unproven. For example, we are currently the subject of multiple putative class action suits in connection with our platform and user data practices and the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies; the disclosure of our earnings results for the second quarter of 2018; our acquisitions of Instagram and WhatsApp, as well as other alleged anticompetitive conduct; a former employee's allegations and release of internal company documents beginning in September 2021; the disclosure of our earnings results for the fourth quarter of 2021; and allegations that we inflated our estimates of the potential audience size for advertisements, resulting in artificially increased demand and higher prices. We are also the subject of multiple lawsuits related to our alleged use of facial recognition technology, our alleged recommendation of and/or failure to remove harmful content, information from third-party websites or apps via our business tools, our alleged use of copyright-protected content to train our AI models, and allegations that Facebook and Instagram cause "social media addiction" in users and allegations of violations of the Children's Online Privacy Protection Act (COPPA). The results of any such lawsuits and claims cannot be predicted with certainty, and any negative outcome from any such lawsuits could result in payments of substantial monetary damages or fines, or undesirable changes to our products or business practices, and accordingly our business, financial condition, or results of operations could be materially and adversely affected.

There can be no assurances that a favorable final outcome will be obtained in all our cases, and defending any lawsuit is costly and can impose a significant burden on management and employees. Any litigation to which we are a party may result in an onerous or unfavorable judgment that may not be reversed upon appeal or in payments of substantial monetary damages or fines, or we may decide to settle lawsuits on similarly unfavorable terms, which has occurred in the past and which could adversely affect our business, financial conditions, or results of operations.

We may have exposure to greater than anticipated tax liabilities.

Our tax obligations, including income and non-income taxes, are based in part on our corporate operating structure and intercompany arrangements, including the manner in which we operate our business, develop, value, manage, protect, and use our intellectual property, and the valuations of our intercompany transactions. The tax laws applicable to our business, including the laws of the United States and other jurisdictions, are subject to interpretation and certain jurisdictions are aggressively interpreting their laws in new ways in an effort to raise additional tax revenue from companies such as Meta. We are subject to regular review and audit by U.S. federal, state, and foreign tax authorities. Tax authorities may disagree with certain positions we have taken, including our methodologies for valuing developed technology or intercompany arrangements, and any adverse outcome of such a review or audit could increase our worldwide effective tax rate, increase the amount of non-

income taxes imposed on our business, and harm our financial position, results of operations, and cash flows. For example, in 2016 and 2018, the IRS issued formal assessments relating to transfer pricing with our foreign subsidiaries in conjunction with the examination of the 2010 through 2013 tax years. Although we disagree with the IRS's position and are litigating this issue, the ultimate resolution is uncertain and, if resolved in a manner unfavorable to us, may adversely affect our financial results.

The determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Our provision for income taxes is determined by the manner in which we operate our business, and any changes to such operations or laws applicable to such operations may affect our effective tax rate. Although we believe that our provision for income taxes and estimates of our non-income tax liabilities are reasonable, the ultimate settlement may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made.

Our future income tax rates could be volatile and difficult to predict due to changes in jurisdictional profit split, changes in the amount and recognition of deferred tax assets and liabilities, or by changes in tax laws, regulations, or accounting principles.

Changes in tax laws or tax rulings could materially affect our financial position, results of operations, and cash flows.

The tax regimes we are subject to or operate under, including income and non-income taxes, are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially affect our financial position, results of operations, and cash flows. For example, the 2017 Tax Cuts and Jobs Act (Tax Act) enacted in December 2017 had a significant impact on our tax obligations and effective tax rate for the fourth quarter of 2017. The issuance of additional regulatory or accounting guidance related to the Tax Act, or other executive or Congressional actions in the United States or globally could materially increase our tax obligations and significantly impact our effective tax rate in the period such guidance is issued or such actions take effect, and in future periods. In addition, many countries have recently proposed or recommended changes to existing tax laws or have enacted new laws that could significantly increase our tax obligations in many countries where we do business or require us to change the manner in which we operate our business.

Over the last several years, the Organization for Economic Cooperation and Development (OECD) has been working on a Base Erosion and Profit Shifting Project that, if implemented, would change various aspects of the existing framework under which our tax obligations are determined in many of the countries in which we do business. A number of countries have begun to enact legislation to implement the OECD's 15% global minimum tax regime. Our effective tax rate and cash tax payments could increase in future years as further jurisdictions enact legislation. Similarly, the European Commission and several countries have issued proposals that would apply to various aspects of the current international tax rules under which we are taxed. These proposals include changes to the existing rules to calculate income tax, as well as proposals to change or impose new types of non-income taxes, including taxes based on a percentage of revenue. For example, several jurisdictions have proposed or enacted taxes applicable to digital services, which include business activities on digital advertising and online marketplaces, and which apply to our business. There are ongoing OECD negotiations that contemplate an alternative to these proposals, which may proliferate in the absence of multilateral agreement.

The European Commission has conducted investigations in multiple countries focusing on whether local country tax rulings or tax legislation provides preferential tax treatment that violates European Union state aid rules and concluded that certain member states, including Ireland, have provided illegal state aid in certain cases. These investigations may result in changes to the tax treatment of our foreign operations.

Due to the large and expanding scale of our international business activities, many of these types of changes to the taxation of our activities described above could increase our worldwide effective tax rate, increase the amount of non-income taxes imposed on our business, and harm our financial position, results of operations, and cash flows. Such changes may also apply retroactively to our historical operations and result in taxes greater than the amounts estimated and recorded in our financial statements.

Given our levels of share-based compensation, our tax rate has in the past varied, and may in the future vary, significantly depending on our stock price.

The tax effects of the accounting for share-based compensation have in the past impacted, and may in the future impact, our effective tax rate, sometimes significantly, from period to period. In periods in which our stock price varies from the grant price of the share-based compensation vesting in that period, we will recognize excess tax benefits or shortfalls that will impact our effective tax rate. For example, in the three months ended March 31, 2024, excess tax benefits recognized from share-based

compensation decreased our provision for income taxes by \$806 million and our effective income tax rate by six percentage points as compared to the tax rate without such benefits. In future periods in which our stock price varies in comparison to the grant price of the share-based compensation vesting in that period, our effective tax rate may be inversely impacted. The amount and value of share-based compensation issued relative to our earnings in a particular period will also affect the magnitude of the impact of share-based compensation on our effective tax rate. These tax effects are dependent on our stock price, which we do not control, and a decline in our stock price could significantly increase our effective tax rate and adversely affect our financial results.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, such as a decline in stock price and market capitalization. We test goodwill for impairment at the reporting unit level at least annually. If such goodwill or intangible assets are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognized. We may be required to record a significant charge in our financial statements during the period in which any impairment of our goodwill or intangible assets is determined, which would negatively affect our results of operations.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business.

We currently depend on the continued services and performance of our key personnel, including Mark Zuckerberg. Mr. Zuckerberg and certain other members of management participate in various high-risk activities, such as combat sports, extreme sports, and recreational aviation, which carry the risk of serious injury and death. If Mr. Zuckerberg were to become unavailable for any reason, there could be a material adverse impact on our operations. The loss of other key personnel, including members of management as well as key engineering, product development, marketing, and sales personnel, could also disrupt our operations and have an adverse effect on our business.

In addition, we cannot guarantee we will continue to attract and retain the personnel we need to maintain our competitive position. In particular, we expect to continue to face significant challenges in hiring specialized technical personnel, particularly senior engineering talent, whether as a result of competition with other companies or other factors. As we continue to mature, the incentives to attract, retain, and motivate employees provided by our equity awards or by future arrangements may not be as effective as in the past, and if we issue significant equity to attract additional employees or to retain our existing employees, we would incur substantial additional share-based compensation expense and the ownership of our existing stockholders would be further diluted. Our ability to attract, retain, and motivate employees may also be adversely affected by stock price volatility. In addition, restrictive immigration policies or legal or regulatory developments relating to immigration may negatively affect our efforts to attract and hire new personnel as well as retain our existing personnel. If we do not succeed in attracting, hiring, and integrating excellent personnel, or retaining and motivating existing personnel, we may be unable to grow effectively.

Our CEO has control over key decision making as a result of his control of a majority of the voting power of our outstanding capital stock.

Mark Zuckerberg, our founder, Chairman, and CEO, is able to exercise voting rights with respect to a majority of the voting power of our outstanding capital stock and therefore has the ability to control the outcome of all matters submitted to our stockholders for approval, including the election of directors and any merger, consolidation, or sale of all or substantially all of our assets. This concentrated control could delay, defer, or prevent a change of control, merger, consolidation, or sale of all or substantially all of our assets that our other stockholders support, or conversely this concentrated control could result in the consummation of such a transaction that our other stockholders do not support. This concentrated control could also discourage a potential investor from acquiring our Class A common stock, which has limited voting power relative to the Class B common stock, and might harm the trading price of our Class A common stock. In addition, Mr. Zuckerberg has the ability to control the management and major strategic investments of our company as a result of his position as our CEO and his ability to control the election or, in some cases, the replacement of our directors. In the event of his death, the shares of our capital stock that Mr. Zuckerberg owns will be transferred to the persons or entities that he has designated. As a board member and officer, Mr. Zuckerberg owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, even a controlling stockholder, Mr. Zuckerberg is entitled to vote his shares in his own interests, which may not always be in the interests of our stockholders generally.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value. Share repurchases and dividend payments could also increase the volatility of the trading price of our stock and will diminish our cash reserves.

Although our board of directors has authorized a share repurchase program that does not have an expiration date, the program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares of our Class A common stock. The specific timing and amount of any share repurchases, and the specific timing and amount of any dividend payments, will depend on prevailing share prices, general economic and market conditions, company performance, and other considerations. We cannot guarantee that the repurchase program will be fully consummated or that it will enhance long-term stockholder value. The repurchase program and dividend payments could affect the trading price of our stock and increase volatility, and any announcement of a termination of this repurchase program or dividend payments may result in a decrease in the trading price of our stock. In addition, this repurchase program and dividend payments will diminish our cash reserves.

There can be no assurance that we will continue to declare cash dividends.

On February 1, 2024, we announced the initiation of our first-ever quarterly cash dividend. The payment of any cash dividends in the future is subject to continued capital availability, market conditions, applicable laws and agreements, and our board of directors continuing to determine that the declaration of dividends are in the best interests of our stockholders. The declaration and payment of any dividend may be discontinued or reduced at any time, and there can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all.

Risks Related to Government Regulation and Enforcement

Actions by governments that restrict access to Facebook or our other products in their countries, censor or moderate content on our products in their countries, or otherwise impair our ability to sell advertising in their countries, could substantially harm our business and financial results.

Governments from time to time seek to censor or moderate content available on Facebook or our other products in their country, restrict access to our products from their country partially or entirely, or impose other restrictions that may affect the accessibility of our products in their country for an extended period of time or indefinitely. For example, user access to Facebook and certain of our other products has been or is currently restricted in whole or in part in China, Iran, and North Korea. In addition, government authorities in other countries may seek to restrict user access to our products if they consider us to be in violation of their laws or a threat to public safety or for other reasons, and certain of our products have been restricted by governments in other countries from time to time. For example, in 2020, Hong Kong adopted a National Security Law that provides authorities with the ability to obtain information, remove and block access to content, and suspend user services, and if we are found to be in violation of this law then the use of our products may be restricted. Hong Kong has passed additional national security legislation in 2024. In addition, if we are required to or elect to make changes to our marketing and sales or other operations in Hong Kong as a result of the National Security Law or other legislation, our revenue and business in the region will be adversely affected. In addition, in connection with the war in Ukraine in the first quarter of 2022, access to Facebook and Instagram was restricted in Russia and the services were then prohibited by the Russian government, which has adversely affected, and will likely continue to adversely affect, our revenue and business in the region.

It is also possible that government authorities could take action that impairs our ability to sell advertising, including in countries where access to our consumer-facing products may be blocked or restricted. For example, we generate meaningful revenue from a small number of resellers serving advertisers based in China, and it is possible that the Chinese, United States, or other government could take action that reduces or eliminates our China-based advertising revenue, whether as a result of the trade dispute with the United States, in response to content issues or information requests in Hong Kong or elsewhere, or for other reasons, or take other action against us, such as imposing taxes or other penalties, which could adversely affect our financial results.

Similarly, if we are found to be out of compliance with certain legal requirements for companies in Turkey, the Turkish government could take action to reduce or eliminate our Turkey-based advertising revenue or otherwise adversely impact access to our products. In the event that content shown on Facebook or our other products is subject to censorship, access to our products is restricted, in whole or in part, in one or more countries, we are required to or elect to make changes to our operations, or other restrictions are imposed on our products, or our competitors are able to successfully penetrate new geographic markets or capture a greater share of existing geographic markets that we cannot access or where we face other restrictions, our ability to retain or increase our user base, user engagement, or the level of advertising by marketers may be

adversely affected, we may not be able to maintain or grow our revenue as anticipated, and our financial results could be adversely affected.

Our business is subject to complex and evolving U.S. and foreign laws and regulations regarding privacy, data use and data protection, content, competition, safety and consumer protection, e-commerce, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our products and business practices, monetary penalties, increased cost of operations, or declines in user growth or engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations in the United States and abroad that involve matters central to our business, including privacy, data use, data protection and personal information, the provision of our services to younger users, biometrics, encryption, rights of publicity, content, integrity, intellectual property, advertising, marketing, distribution, data security, data retention and deletion, data localization and storage, data disclosure, AI and machine learning, electronic contracts and other communications, competition, protection of minors, consumer protection, civil rights, accessibility, telecommunications, product liability, e-commerce, taxation, economic or other trade controls including sanctions, anti-corruption and political law compliance, securities law compliance, and online payment services. The introduction of new products, expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. In addition, foreign data protection, privacy, content, competition, consumer protection, and other laws and regulations can impose different obligations or be more restrictive than those in the United States, and create the potential for significant fines to be imposed.

These U.S. federal and state, EU, and other international laws and regulations, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving and can be subject to significant change. As a result, the application, interpretation, and enforcement of these laws and regulations are often uncertain, particularly in the new and rapidly evolving industry in which we operate, and may be interpreted and applied inconsistently from jurisdiction to jurisdiction and inconsistently with our current policies and practices. For example, regulatory or legislative actions or litigation concerning the manner in which we display content to our users, moderate content, provide our services to younger users, or are able to use data in various ways, including for advertising, could adversely affect user growth and engagement. Such actions could affect the manner in which we provide our services or adversely affect our financial results, including by imposing significant fines that increasingly may be calculated based on global revenue.

We are also subject to evolving laws and regulations that dictate whether, how, and under what circumstances we can transfer, process or receive certain data that is critical to our operations, including data shared between countries or regions in which we operate and data shared among our products and services. For example, in 2016, the European Union and United States agreed to a transfer framework for data transferred from the European Union to the United States, called the Privacy Shield, but the Privacy Shield was invalidated in July 2020 by the Court of Justice of the European Union (CJEU). In addition, the other bases upon which Meta relies to transfer such data, such as Standard Contractual Clauses (SCCs), have been subjected to regulatory and judicial scrutiny. For example, the CJEU considered the validity of SCCs as a basis to transfer user data from the European Union to the United States following a challenge brought by the Irish Data Protection Commission (IDPC). Although the CJEU upheld the validity of SCCs in July 2020, on May 12, 2023, the IDPC issued a Final Decision concluding that Meta Platforms Ireland's reliance on SCCs in respect of certain transfers of European Economic Area (EEA) Facebook user data was not in compliance with the GDPR. The IDPC issued an administrative fine of EUR €1.2 billion as well as corrective orders requiring Meta Platforms Ireland to suspend the relevant transfers and to bring its processing operations into compliance with Chapter V GDPR by ceasing the unlawful processing, including storage, of such data in the United States. We are appealing this Final Decision and it is currently subject to an interim stay from the Irish High Court.

On March 25, 2022, the European Union and United States announced that they had reached an agreement in principle on a new EU-U.S. Data Privacy Framework (EU-U.S. DPF). On October 7, 2022, President Biden signed the Executive Order on Enhancing Safeguards for United States Signals Intelligence Activities (E.O.), and on June 30, 2023, the European Union and the three additional countries making up the EEA were designated by the United States Attorney General as a "qualifying state" under Section 3(f) of the E.O. On July 10, 2023, the European Commission adopted an adequacy decision in relation to the United States. The adequacy decision concludes that the United States ensures an adequate level of protection for personal data transferred from the European Union to organizations in the United States that are included in the "Data Privacy Framework List," maintained and made publicly available by the United States Department of Commerce pursuant to the EU-U.S. DPF. The implementation of the EU-U.S. DPF and the adequacy decision are important and welcome milestones, and we are implementing steps to comply with the above corrective orders following engagement with the IDPC. The EU-U.S. DPF replaces two prior adequacy frameworks which were invalidated by the CJEU. A further invalidation of the EU-U.S. DPF by

the CJEU could create considerable uncertainty and lead to us being unable to offer a number of our most significant products and services, including Facebook and Instagram, in Europe, which would materially and adversely affect our business, financial condition, and results of operations.

In addition, we have been managing investigations and lawsuits in India and other jurisdictions regarding the 2021 updates to WhatsApp's terms of service and privacy policy and its sharing of certain data with other Meta products and services, including a lawsuit currently pending before the Supreme Court of India. If we are unable to transfer data between and among countries and regions in which we operate, or if we are restricted from sharing data among our products and services, it could affect our ability to provide our services, the manner in which we provide our services or our ability to target ads, which could adversely affect our financial results.

We have been subject to other significant legislative and regulatory developments, which together with proposed or new legislation and regulations could significantly affect our business in the future. For example, we have implemented a number of product changes and controls as a result of requirements under the European General Data Protection Regulation (GDPR), and may implement additional changes in the future. The GDPR also requires submission of personal data breach notifications to our lead European Union privacy regulator, the IDPC, and includes significant penalties for non-compliance with the notification obligation as well as other requirements of the regulation. The interpretation of the GDPR is still evolving, including through decisions of the CJEU, and draft decisions in investigations by the IDPC are subject to review by other European privacy regulators as part of the GDPR's consistency mechanism, which may lead to significant changes in the final outcome of such investigations. As a result, the interpretation and enforcement of the GDPR, as well as the imposition and amount of penalties for non-compliance, are subject to significant uncertainty, and as it evolves, could potentially have a negative impact on our business and/or our operations. In addition, Brazil, the United Kingdom, and other countries have enacted similar data protection regulations imposing data privacy-related requirements on products and services offered to users in their respective jurisdictions. The California Consumer Privacy Act, as amended by the California Privacy Rights Act (CCPA), also establishes certain transparency rules and creates certain data privacy rights for users, including limitations on our use of certain sensitive personal information and more ability for users to control the purposes for which their data is shared with third parties. Other states have proposed or enacted similar comprehensive privacy laws that afford users with similar data privacy rights and controls. These laws and regulations are evolving and subject to interpretation, and resulting limitations on our advertising services, or reductions of advertising by marketers, have to some extent adversely affected, and will continue to adversely affect, our advertising business. Some states have also proposed or enacted laws specifically focused on the privacy rights and controls for users under 18 years old and their parents or guardians. Like comprehensive privacy laws, these laws are evolving and subject to interpretation, and may restrict our ability to offer certain products and services provided to all or certain cohorts of users in those states, adversely affecting our advertising business. In Europe, regulators continue to enforce guidance concerning the ePrivacy Directive's requirements regarding the use of cookies and similar technologies, and may impose specific measures in the future which could directly impact our use of such technologies. In addition, the ePrivacy Directive and national implementation laws impose additional limitations on the use of data across messaging products and include significant penalties for non-compliance. Changes to our products or business practices as a result of these or similar developments have adversely affected, and may in the future adversely affect, our advertising business. For example, in response to regulatory developments in Europe, we announced plans to change the legal basis for behavioral advertising on Facebook and Instagram in the EU, EEA, and Switzerland from "legitimate interests" to "consent," and in November 2023 we began offering users in the region a "subscription for no ads" alternative. We are engaging with regulators on our consent model, including regarding compliance with requirements under the GDPR, DMA, and EU consumer laws. These or any similar developments in the future may negatively impact our user growth and engagement, revenue, and financial results.

Similarly, there are a number of legislative proposals or recently enacted laws in the European Union, the United States, at both the federal and state level, as well as other jurisdictions that could impose new obligations or limitations in areas affecting our business. For example, the DMA in the European Union imposes restrictions and requirements on companies like ours, including in areas such as the combination of data across services, mergers and acquisitions, and product design. The DMA also includes significant penalties for non-compliance, and its key requirements are enforceable against designated gatekeeper companies as of March 2024. The DMA has caused, and may in the future cause, us to incur significant compliance costs and make changes to our products or business practices. The requirements under the DMA will likely be subject to further interpretation and regulatory engagement. Pending or future proposals to modify competition laws in a number of jurisdictions could have similar effects. Further, the Digital Services Act (DSA) in the European Union, which started to apply to our business as of August 2023, imposes certain restrictions and requirements for our products and services and subjects us to increased compliance costs. The DSA also includes significant penalties for non-compliance. In addition, some countries, such as India and Turkey, are considering or have passed legislation implementing data protection requirements, new competition requirements, or requiring local storage and processing of data or similar requirements that could require substantial changes to our products, increase the cost and complexity of delivering our services, cause us to cease the offering of our products and

services in certain countries, and/or result in fines or other penalties. New legislation or regulatory decisions that restrict our ability to collect and use information about minors may also result in limitations on our advertising services or our ability to offer products and services to minors in certain jurisdictions. Legislative proposals in Europe and other jurisdictions may also subject us to new requirements relating to allegedly fraudulent activities by third parties on our platform, which could cause us to incur significant compliance costs or make changes to our products or business practices, and could subject us to additional fines and penalties or liability for losses to users in such transactions. In addition, the Province of British Columbia has introduced a bill that, if passed, could make it easier for the government to recover public health-related costs potentially associated with providing goods and services, including social media services.

These laws and regulations, as well as any associated claims, inquiries, or investigations or any government actions, have led to, and may in the future lead to, unfavorable outcomes including increased compliance costs, changes to our products, loss of revenue, delays or impediments in the development of new products, negative publicity and reputational harm, increased operating costs, diversion of management time and attention, and remedies that harm our business, including fines, damages, or orders that we modify or cease existing business practices.

We have been subject to regulatory and other government investigations, enforcement actions, and settlements, and we expect to continue to be subject to such proceedings and other inquiries in the future, which could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business.

We receive formal and informal inquiries from government authorities and regulators regarding our compliance with laws and regulations, many of which are evolving and subject to interpretation. We are and expect to continue to be the subject of investigations, inquiries, data requests, requests for information, actions, and audits in the United States, Europe, and around the world, particularly in the areas of privacy, data use and data protection, including with respect to processing of sensitive data, data from third parties, data for advertising purposes, data security, minors, safety, law enforcement, consumer protection, civil rights, content and content moderation, use of our platform for illegal, illicit, or otherwise objectionable activity, competition, AI, and machine learning. In addition, we are currently, and may in the future be, subject to regulatory orders or consent decrees. For example, data protection, competition, content, and consumer protection authorities in the European Union, United States, and other jurisdictions have initiated actions, investigations, or administrative orders seeking to restrict the ways in which we collect and use information, or impose sanctions, and other authorities may do the same. In addition, we have been and continue to be the subject of litigation and investigations related to the ways in which we collect and use information, including where advertisers are subject to additional regulation such as housing, employment, credit, and financial services. In addition, beginning in March 2018, we became subject to FTC, state attorneys general, and other government inquiries in the United States, Europe, and other jurisdictions in connection with our platform and user data practices as well as the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies. In July 2019, we entered into a settlement and modified consent order to resolve the FTC inquiry, which took effect in April 2020 and, among other things, required us to significantly enhance our practices and processes for privacy compliance and oversight. The state attorneys general inquiry and certain government inquiries in other jurisdictions remain ongoing. The FTC also continues to monitor us and our compliance with the modified consent order and initiated an administrative proceeding against us, which we are challenging at the agency and in federal court, that alleges deficient compliance and violations of the Children's Online Privacy Protection Act (COPPA), the COPPA Rule, and Section 5 of the Federal Trade Commission Act and seeks changes to our business. If we are unsuccessful in our challenge to the FTC's action and the agency imposes its proposed order in its current form, we would be subject to significant limitations, including on our ability to launch new and modified products or use data of users under 18 years old. We also notify the IDPC, our lead European Union privacy regulator under the GDPR, and other regulators of certain other personal data breaches and privacy issues, and are subject to inquiries and investigations by the IDPC and other regulators regarding various aspects of our regulatory compliance. In addition, we are subject to inquiries and investigations by the European Commission regarding our compliance with the DSA, including matters related to elections and political content, researcher access to data, the protection of minors, and generative AI content, among others. We have been, and may in the future be, subject to penalties, fines, and requirements to change our business practices as a result of such inquiries and investigations. In addition, we are subject to a lawsuit by the state of Texas in connection with the "tag suggestions" feature and other uses of facial recognition technology.

We are also subject to various litigation and formal and informal inquiries and investigations by competition authorities in the United States, Europe, and other jurisdictions, which relate to many aspects of our business, including with respect to users and advertisers. Such inquiries, investigations, and lawsuits concern, among other things, our business practices in the areas of social networking or social media services, messaging services, digital advertising, and/or mobile or online applications, as well as our acquisitions. For example, beginning in 2019, we became the subject of antitrust inquiries and investigations by the FTC and the U.S. Department of Justice. Beginning in 2020, we became subject to a lawsuit by the FTC alleging that we violated antitrust laws, including by acquiring Instagram in 2012 and WhatsApp in 2014. The complaint seeks

a permanent injunction against our company's alleged violations of the antitrust laws, and other equitable relief, including divestiture or reconstruction of Instagram and WhatsApp. In addition, in December 2022, the European Commission issued a Statement of Objections alleging that we tie Facebook Marketplace to Facebook and use data in a manner that infringes European Union competition rules. We are also subject to other government inquiries and investigations relating to our business activities and disclosure practices. For example, beginning in September 2021, we became subject to government investigations and requests relating to allegations and the release of internal company documents by a former employee.

Orders issued by, or inquiries or enforcement actions initiated by, government or regulatory authorities could cause us to incur substantial costs, expose us to civil and criminal liability (including liability for our personnel) or penalties (including substantial monetary remedies), interrupt or require us to change our business practices in a manner materially adverse to our business (including changes to our products or user data practices), result in negative publicity and reputational harm, divert resources and the time and attention of management from our business, or subject us to other structural or behavioral remedies that adversely affect our business, and we have experienced some of these adverse effects to varying degrees from time to time.

Compliance with our FTC consent order, the GDPR, U.S. state privacy and youth social media laws, the ePrivacy Directive, the DMA, the DSA, and other regulatory and legislative privacy requirements require significant operational resources and modifications to our business practices, and any compliance failures may have a material adverse effect on our business, reputation, and financial results.

We are engaged in ongoing privacy compliance and oversight efforts, including in connection with our modified consent order with the FTC, requirements of the GDPR, and other current and anticipated regulatory and legislative requirements around the world, such as U.S. state privacy and youth social media laws, the ePrivacy Directive, DMA, DSA, the Korean Personal Information Protection Act, and the Indian Digital Personal Data Protection Act. In particular, we are maintaining a comprehensive privacy program in connection with the FTC consent order that includes substantial management and board of directors oversight, stringent operational requirements and reporting obligations, prohibitions against making misrepresentations relating to user data, a process to regularly certify our compliance with the privacy program to the FTC, and regular assessments of our privacy program by an independent third-party assessor, which has been and will continue to be challenging and costly to maintain and enhance. These compliance and oversight efforts are increasing demand on our systems and resources, and require significant new and ongoing investments, including investments in compliance processes, personnel, and technical infrastructure. We continually reallocate resources internally to assist with these efforts, and this has had, and will continue to have, an adverse impact on our other business initiatives. In addition, these efforts require substantial modifications to our business practices and make some practices such as product and ads development more difficult, time-consuming, and costly. As a result, we believe our ability to develop and launch new features, products, and services in a timely manner has been and will continue to be adversely affected. Further, our privacy compliance and oversight efforts have required, and we expect will continue to require, significant time and attention from our management and board of directors. The requirements of the FTC consent order and other privacy-related laws and regulations are complex and apply broadly to our business, and from time to time we notify relevant authorities of instances where we are not in full compliance with these requirements or otherwise discover privacy issues, and we expect to continue to do so as any such issues arise in the future. In addition, regulatory and legislative privacy requirements are constantly evolving and can be subject to significant change and uncertain interpretation. For example, we are subject to restrictions and requirements under the DMA, including in areas such as the combination of data across services and product design, which will likely be subject to further interpretation and regulatory engagement.

The FTC initiated an administrative proceeding against us alleging, among other things, deficient compliance with the FTC consent order and seeking substantial modifications to the requirements of the consent order, including a prohibition on our use of minors' data for any commercial purposes, changes to the composition of our board of directors, and significant limitations on our ability to modify and launch new products. We are challenging the FTC's administrative proceeding. If the challenge is unsuccessful and the FTC is able to impose the proposed order in its current form, it would limit our ability to provide certain features and services, engage in certain business practices, require us to further increase the time, resources, and costs we spend on compliance and oversight efforts, and would adversely affect our business and financial results.

If we are unable to successfully implement and comply with the mandates of the FTC consent order (including any future modifications to the order), GDPR, U.S. state privacy and youth social media laws, ePrivacy Directive, DMA, DSA, or other regulatory or legislative requirements, or if any relevant authority believes that we are in violation of the consent order or other applicable requirements, we may be subject to regulatory or governmental investigations or lawsuits, which may result in significant monetary fines, judgments, penalties, or other remedies, and we may also be required to make additional changes to our business practices. Any of these events could have a material adverse effect on our business, reputation, and financial results.

We may incur liability as a result of information retrieved from or transmitted over the internet or published using our products or as a result of claims related to our products, and legislation regulating content on our platform may require us to change our products or business practices and may adversely affect our business and financial results.

We have faced, currently face, and will continue to face claims and government inquiries relating to information or content that is published or made available on our products, including claims, inquiries, and investigations relating to our policies, algorithms, and enforcement actions with respect to such information or content. In particular, the nature of our business exposes us to claims related to defamation, dissemination of misinformation or news hoaxes, deceptive and fraudulent advertising, discrimination, harassment, intellectual property rights, rights of publicity and privacy, personal injury torts, laws regulating hate speech or other types of content, on- or offline safety and well-being (such as acts of violence, terrorism, improper promotion or distribution of pharmaceuticals and illicit drugs, human exploitation, child exploitation, illegal gaming, and other fraudulent or otherwise illegal activity), products liability, consumer protection, and breach of contract, among others. For example, we have recently seen an increase in claims brought by younger users related to well-being issues based on allegedly harmful content that is shared on or recommended by our products. In addition, we have been subject to litigation alleging that our ad targeting and delivery practices constitute violations of anti-discrimination laws.

The potential risks relating to any of the foregoing types of claims are currently enhanced in certain jurisdictions outside the United States where our protection from liability for third-party actions may be unclear or where we may be less protected under local laws than we are in the United States. For example, in April 2019, the European Union passed a directive (the European Copyright Directive) expanding online platform liability for copyright infringement and regulating certain uses of news content online, which most member states have already implemented into their national laws. In addition, the European Union revised the European Audiovisual Media Service Directive to apply to online video-sharing platforms, which member states are implementing. In the United States, in 2023, the U.S. Supreme Court heard oral argument in a matter in which the scope of the protections available to online platforms under Section 230 of the Communications Decency Act (Section 230) was at issue, but it ultimately declined to address Section 230 in its decision. There also have been, and continue to be, various other litigation concerning, and state and federal legislative and executive efforts to remove or restrict, the scope of the protections under Section 230, as well as to impose new obligations on online platforms with respect to commerce listings, user access and content, counterfeit goods and copyright-infringing material, and our current protections from liability for third-party content in the United States could decrease or change. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages.

We could also face fines, orders restricting or blocking our services in particular geographies, or other judicial or government-imposed remedies as a result of content hosted on our services. For example, legislation in Germany and India has resulted, and may result in the future, in the imposition of fines or other penalties for failure to comply with certain content removal, law enforcement cooperation, and disclosure obligations. Numerous other countries in Europe, the Middle East, Asia-Pacific, and Latin America are considering or have implemented similar legislation imposing liability or potentially significant penalties, including fines, service throttling, or advertising bans, for failure to remove certain types of content or follow certain processes. For example, we have been subject to fines and may in the future be subject to other penalties in connection with social media legislation in Turkey, and we have been subject to fines and service blocking and prohibition in Russia. Content-related legislation also has required us, and may require us in the future, to change our products or business practices, increase our costs, or otherwise impact our operations or our ability to provide services in certain geographies. For example, the European Copyright Directive requires certain online services to obtain authorizations for copyrighted content or to implement measures to prevent the availability of that content, which may require us to make substantial investments in compliance processes. Member states' laws implementing the European Copyright Directive may also require online platforms to pay for content. In addition, our products and services are subject to restrictions and requirements, and we are subject to increased compliance costs, as a result of the Digital Services Act in the European Union, which started to apply to our business as of August 2023, and other content-related legislative developments such as the Online Safety and Media Regulation Act in Ireland and the Online Safety Act in the United Kingdom. Certain countries have also implemented or proposed legislation that may require us to pay publishers for certain news content shared on our products. For example, as a result of such legislation in Canada, we have ended the availability of news content for Canadian users on Facebook and Instagram. In the United States, changes to the protections available under Section 230 or the First Amendment to the U.S. Constitution or new state or federal content-related legislation may increase our costs or require significant changes to our products, business practices, or operations, which could adversely affect user growth and engagement.

Any of the foregoing events could adversely affect our business and financial results.

Payment-related activities may subject us to additional regulatory requirements, regulatory actions, and other risks that could be costly and difficult to comply with or that could harm our business.

Several of our products offer Payments functionality, including enabling our users to purchase tangible, virtual, and digital goods from merchants and developers that offer applications using our Payments infrastructure, send money to other users, and make donations to certain charitable organizations, among other activities. We are subject to a variety of laws and regulations in the United States, Europe, and elsewhere, including those governing anti-money laundering and counter-terrorist financing, money transmission, stored value, gift cards and other prepaid access instruments, electronic funds transfer, virtual currency, consumer protection, charitable fundraising, economic sanctions, and import and export restrictions. In addition, we could become subject to new consumer protection laws and regulations that may be adopted or amended, including those related to payments activity as well as sharing, collection, and use of payments-related data. Depending on how our Payments products evolve, we may also be subject to other laws and regulations including those governing gambling, banking, and lending. In some jurisdictions, the application or interpretation of these laws and regulations is not clear. We have received certain payments licenses in the United States, the European Economic Area, and other jurisdictions for our regulated Payments-related products and activities. These licenses increase flexibility in how our use of Payments may evolve, help mitigate regulatory uncertainty, and will generally require us to demonstrate compliance with many domestic and foreign laws in relation to our regulated Payments products and activities. Our efforts to comply with these laws and regulations could be costly and result in diversion of management time and attention and may still not guarantee compliance. In the event that we are found to be in violation of any such legal or regulatory requirements, we may be subject to monetary fines or other penalties such as a cease and desist order, or we may be required to make product changes, any of which could have an adverse effect on our business and financial results.

In addition, we are subject to a variety of additional risks as a result of Payments transactions, including: increased costs and diversion of management time and attention and other resources to address bad transactions or customer disputes; potential fraudulent or otherwise illegal activity by users, developers, employees, or third parties; restrictions on the investment of consumer funds used to transact Payments; and additional disclosure and reporting requirements. We have also launched payments functionality on certain of our applications and may in the future undertake additional payments initiatives, including as part of our metaverse efforts, which may subject us to many of the foregoing risks and additional licensing requirements.

Risks Related to Data, Security, Platform Integrity, and Intellectual Property

Security breaches, improper access to or disclosure of our data or user data, other hacking and phishing attacks on our systems, or other cyber incidents could harm our reputation and adversely affect our business.

Our industry is prone to cyber-attacks by parties seeking unauthorized access to our data or users' data or to disrupt our ability to provide service. Our products and services involve the collection, storage, processing, and transmission of a large amount of data. Any failure to prevent or mitigate security breaches and improper access to or disclosure of our data or user data, including personal information, content, or payment information from users, or information from marketers, could result in the loss, modification, disclosure, destruction, or other misuse of such data, which could harm our business and reputation and diminish our competitive position. In addition, computer malware, viruses, social engineering (such as spear phishing attacks), scraping, and general hacking continue to be prevalent in our industry, have occurred on our systems, and will occur on our systems in the future. We also regularly encounter attempts to create false or undesirable user accounts, purchase ads, or take other actions on our platform for purposes such as spamming, spreading misinformation, or other illegal, illicit, or otherwise objectionable ends. As a result of our prominence, the size of our user base, the types and volume of personal data and content on our systems, and the evolving nature of our products and services (including our efforts involving new and emerging technologies), we believe that we are a particularly attractive target for such breaches and attacks, including from nation states and highly sophisticated, state-sponsored, or otherwise well-funded actors, and we experience heightened risk from time to time as a result of geopolitical events. Our efforts to address undesirable activity on our platform also increase the risk of retaliatory attacks. Such breaches and attacks may cause interruptions to the services we provide, degrade the user experience or otherwise adversely affect users, cause users or marketers to lose confidence and trust in our products, impair our internal systems, or result in financial harm to us. Our efforts to protect our company data or the information we receive, and to disable undesirable activities on our platform, may also be unsuccessful due to software bugs or other technical malfunctions; employee, contractor, or vendor error or malfeasance, including social engineering or other cyber-attacks directed towards our personnel, misuse of company data or systems by our personnel, as well as defects or vulnerabilities in our vendors' information technology systems or offerings; government surveillance; breaches of physical security of our facilities, technical infrastructure, or other equipment; or other threats that evolve. In addition, other parties may attempt to fraudulently induce employees or users to disclose information in order to gain access to our data or our users' data. Cyber-attacks continue to evolve in sophistication and volume, and inherently may be difficult to detect for long periods of time. Although we have

developed systems and processes that are designed to protect our data and user data, to reduce the risk of data loss or misuse, to disable undesirable accounts and activities on our platform, and to reduce the risk of or detect security breaches, such measures will not provide absolute security, and we cannot assure you that we will be able to react in a timely manner to any cyber-attacks or other security incidents, or that our remediation efforts will be successful. Our business and operations span numerous geographies around the world and involve thousands of employees, contractors, vendors, developers, partners, and other third parties. At any given time, we face known and unknown cybersecurity risks and threats that are not fully mitigated, and we discover vulnerabilities in our security efforts.

In addition, some of our developers or other partners, such as those that help us measure the effectiveness of ads, may receive or store information provided by us or by our users through mobile or web applications integrated with our products. We provide limited information to such third parties based on the scope of services provided to us. However, if these third parties or developers fail to adopt or adhere to adequate data security practices, or in the event of a breach of their networks, our data or our users' data may be improperly accessed, used, or disclosed.

We regularly experience such cyber-attacks and other security incidents of varying degrees, and we incur significant costs in protecting against or remediating such incidents. In addition, we are subject to a variety of laws and regulations in the United States and abroad relating to cybersecurity and data protection, as well as obligations under our modified consent order with the FTC. As a result, affected users or government authorities could initiate legal or regulatory actions against us in connection with any actual or perceived security breaches or improper access to or disclosure of data, which has occurred in the past and which could cause us to incur significant expense and liability or result in orders or consent decrees forcing us to modify our business practices. Such incidents or our efforts to remediate such incidents may also result in a decline in our active user base or engagement levels. Any of these events could have a material and adverse effect on our business, reputation, or financial results.

For example, in September 2018, we announced our discovery of a third-party cyber-attack that exploited a vulnerability in Facebook's code to steal user access tokens, which were then used to access certain profile information from approximately 29 million user accounts on Facebook. The events surrounding this cyber-attack became the subject of Irish Data Protection Commission and other government inquiries. Any such inquiries could subject us to substantial fines and costs, require us to change our business practices, divert resources and the attention of management from our business, or adversely affect our business.

Intentional misuse of our services and user data and other undesirable activity by third parties on our platform could adversely affect our business.

We have experienced, and expect to continue to experience, intentional misuse of our services and user data by third parties, as well as other undesirable, illicit, or high-risk activity on our platform. We are making significant investments in privacy, safety, security, and content review efforts to combat these activities, including investigations and audits of platform applications, as well as other enforcement efforts. We have discovered and announced, and anticipate that we will continue to discover and announce, additional incidents of misuse of user data or other undesirable or illicit activity by third parties. We will not discover all such incidents or activity, whether as a result of our data or technical limitations, including our lack of visibility over our encrypted services, the scale of activity on our platform, the allocation of resources to other projects, or other factors, and we may be notified of such incidents or activity by the independent privacy assessor required under our modified consent order with the FTC, government authorities, the media, or other third parties.

Such incidents and activities include the use of user data or our systems in a manner inconsistent with our terms, contracts or policies, the existence of false or undesirable user accounts, election interference, improper advertising practices, activities that threaten people's safety or well-being on- or offline (such as acts of violence, terrorism, improper promotion or distribution of pharmaceuticals and illicit drugs, human exploitation, child exploitation, and illegal gaming), instances of spamming, surveillance, scraping, data harvesting, unsecured datasets, or spreading misinformation, or other fraudulent or otherwise illegal activity. We may also be unsuccessful in our efforts to enforce our policies or otherwise prevent or remediate any such incidents.

Consequences of any of the foregoing developments include negative effects on user trust and engagement, harm to our reputation and brands, changes to our business practices in a manner adverse to our business, and adverse effects on our business and financial results. Such developments have subjected, and may in the future subject, us to additional litigation and regulatory inquiries, which could subject us to monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight.

Our products and internal systems rely on software and hardware that is highly technical, and any errors, bugs, or vulnerabilities in these systems, or failures to address or mitigate technical limitations in our systems, could adversely affect our business.

Our products and internal systems rely on software and hardware, including software and hardware developed or maintained internally and/or by third parties (including open source software), that is highly technical and complex. In addition, our products and internal systems depend on the ability of such software and hardware to store, retrieve, process, and manage immense amounts of data. The software and hardware on which we rely has contained, and will in the future contain, errors, bugs, or vulnerabilities, and our systems are subject to certain technical limitations that may compromise our ability to meet our objectives. Some errors, bugs, or vulnerabilities inherently may be difficult to detect and may only be discovered after the code has been released for external or internal use. For example, in September 2018, we announced our discovery of a third-party cyber-attack that exploited a vulnerability in Facebook's code to steal user access tokens and access certain profile information from user accounts on Facebook. Errors, bugs, vulnerabilities, design defects, or technical limitations within the software and hardware on which we rely, or human error in using such systems, have led to, and may in the future lead to, outcomes including a negative experience or other adverse effects for users and marketers who use our products, compromised ability of our products to perform in a manner consistent with our terms, contracts, or policies, delayed product introductions or enhancements, targeting, measurement, or billing errors, compromised ability to protect the data of our users and/or our intellectual property or other data, or reductions in our ability to provide some or all of our services. For example, we make commitments to our users as to how their data will be collected, used, shared, and retained within and across our products, and our systems are subject to errors, bugs and technical limitations that may prevent us from fulfilling these commitments reliably. In addition, any errors, bugs, vulnerabilities, or defects in our systems or the software and hardware on which we rely, failures to properly address or mitigate the technical limitations in our systems, or associated degradations or interruptions of service or failures to fulfill our commitments to our users, have led to, and may in the future lead to, outcomes including damage to our reputation, loss of users, loss of marketers, loss of revenue, regulatory inquiries, litigation, or liability for fines, damages, or other remedies, any of which could adversely affect our business and financial results.

If we are unable to protect our intellectual property, the value of our brands and other intangible assets may be diminished, and our business may be adversely affected.

We rely and expect to continue to rely on a combination of confidentiality, assignment, and license agreements with our employees, consultants, and third parties with whom we have relationships, as well as trademark, copyright, patent, trade secret, and domain name protection laws, to protect our proprietary rights. In the United States and internationally, we have filed various applications for protection of certain aspects of our intellectual property, and we currently hold a significant number of registered trademarks and issued patents in multiple jurisdictions and have acquired patents and patent applications from third parties. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and pending and future trademark and patent applications may not be approved. In addition, effective intellectual property protection may not be available in every country in which we operate or intend to operate our business. In any or all of these cases, we may be required to expend significant time and expense in order to prevent infringement or to enforce our rights. Although we have generally taken measures to protect our proprietary rights, there can be no assurance that others will not offer products or concepts that are substantially similar to ours and compete with our business. In addition, we regularly contribute software source code under open source and other permissive licenses and have made other technology we developed available under such licenses, and we include open source software in our products. Additionally, our AI is trained on data sets that may include open source software and the outputs of our AI may be subject to open source license restrictions or obligations. As a result of our open source contributions and the use of open source in our products, we may license or be required to license or disclose code and/or innovations that turn out to be material to our business and may also be exposed to increased litigation risk. If the protection of our proprietary rights is inadequate to prevent unauthorized use or appropriation by third parties, the value of our brands and other intangible assets may be diminished and competitors may be able to more effectively mimic our products, services, and methods of operations. Any of these events could have an adverse effect on our business and financial results.

We are currently, and expect to be in the future, party to patent, trademark, and copyright lawsuits and other intellectual property rights claims that are expensive and time consuming and, if resolved adversely, could have a significant impact on our business, financial condition, or results of operations.

Companies in the internet, technology, and media industries own large numbers of patents, copyrights, trademarks, and trade secrets, and frequently enter into litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. In addition, various "non-practicing entities" that own patents and other intellectual property rights often attempt to aggressively assert their rights in order to extract value from technology companies.

Furthermore, from time to time we may introduce or acquire new products, including in areas where we historically have not competed, or introduce new features for existing products, which could increase our exposure to intellectual property claims from competitors, non-practicing entities, and other rights holders.

From time to time, we receive notice from patent, copyright, and trademark holders and other parties alleging that certain of our products and services, trademarks, or user content, infringe their intellectual property rights. We presently are involved in a number of intellectual property lawsuits, and as we face increasing competition and develop new products and services, we expect the number of intellectual property claims against us to grow. Defending intellectual property litigation is often costly and can impose a significant burden on management and employees, and there can be no assurances that favorable final outcomes will be obtained in all cases. In addition, plaintiffs may seek, and we may become subject to, preliminary or provisional rulings in the course of any such litigation, including potential preliminary injunctions requiring us to change or cease some or all of our operations. We may decide to settle such lawsuits and disputes on terms that are unfavorable to us. Similarly, if any litigation to which we are a party is resolved adversely, we may be subject to an unfavorable judgment that may not be reversed upon appeal. The terms of such a settlement or judgment may require us to change or cease some or all of our operations or pay substantial amounts to the other party. In addition, we may have to seek a license to continue practices found to be in violation of a third party's rights, which may not be available on reasonable terms, or at all, and may significantly increase our operating costs and expenses. As a result, we may also be required to develop alternative non-infringing technology or practices, or branding or discontinue the practices or branding. The development of alternative non-infringing technology, branding or practices could require significant effort and expense, could result in less effective technology, branding or practices or otherwise negatively affect the user experience, or may not be feasible. We have experienced unfavorable outcomes in such disputes and litigation in the past, and our business, financial condition, and results of operations could be adversely affected as a result of an unfavorable resolution of the disputes and litigation referred to above.

Risks Related to Ownership of Our Class A Common Stock

The trading price of our Class A common stock has been and will likely continue to be volatile.

The trading price of our Class A common stock has been, and is likely to continue to be, volatile. Since shares of our Class A common stock were sold in our initial public offering in May 2012 at a price of \$38.00 per share, our stock price has ranged from \$17.55 to \$523.57 through March 31, 2024. In addition to the factors discussed in this Quarterly Report on Form 10-Q, the trading price of our Class A common stock has in the past fluctuated and may in the future fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our revenue and other operating results for either of our reportable segments;
- the financial projections we may provide to the public, any changes in these projections, or our failure to meet these projections;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- additional shares of our stock being sold into the market by us, our existing stockholders, or in connection with acquisitions, or the anticipation of such sales;
- investor sentiment with respect to our competitors, our business partners, and our industry in general;
- announcements by us or our competitors of significant products or features, technical innovations, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- announcements by us or estimates by third parties of actual or anticipated changes in the size of our user base, the level of user engagement, or the effectiveness of our ad products;
- changes in operating performance and stock market valuations of technology companies in our industry, including our developers and competitors;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- the inclusion, exclusion, or deletion of our stock from any trading indices, such as the S&P 500 Index;
- media coverage of our business and financial performance;

- lawsuits threatened or filed against us, or developments in pending lawsuits;
- adverse government actions or legislative or regulatory developments relating to advertising, competition, content, privacy, or other matters, including interim or final rulings by tax, judicial, or regulatory bodies;
- trading activity in our share repurchase program; and
- other events or factors, including those resulting from war, incidents of terrorism, pandemics, and other disruptive external events, or responses to these events.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. We are currently subject to securities litigation in connection with our platform and user data practices and the misuse of certain data by a developer that shared such data with third parties in violation of our terms and policies; the disclosure of our earnings results for the second quarter of 2018; a former employee's allegations and release of internal company documents beginning in September 2021; and the disclosure of our earnings results for the fourth quarter of 2021. We may experience more such litigation following future periods of volatility. Any securities litigation could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business.

The dual class structure of our common stock has the effect of concentrating voting control with our CEO and certain other holders of our Class B common stock; this will limit or preclude your ability to influence corporate matters.

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. Holders of our Class B common stock, including our founder, Chairman, and CEO, together hold a majority of the combined voting power of our outstanding capital stock, and therefore are able to control the outcome of all matters submitted to our stockholders for approval so long as the shares of Class B common stock represent at least 9.1% of all outstanding shares of our Class A and Class B common stock. This concentrated control will limit or preclude your ability to influence corporate matters for the foreseeable future.

Transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning or charitable purposes. The conversion of Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. If, for example, Mr. Zuckerberg retains a significant portion of his holdings of Class B common stock for an extended period of time, he could, in the future, continue to control a majority of the combined voting power of our outstanding capital stock.

Our status as a "controlled company" could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Because we qualify as a "controlled company" under the corporate governance rules for Nasdaq-listed companies, we are not required to have a majority of our board of directors be independent, nor are we required to have a compensation committee or an independent nominating function. In the future we could elect not to have a majority of our board of directors be independent or not to have a compensation committee or an independent nominating function. Accordingly, should the interests of our controlling stockholder differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for Nasdaq-listed companies. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Delaware law and provisions in our certificate of incorporation and bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the trading price of our Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our current certificate of incorporation and bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- until the first date on which the outstanding shares of our Class B common stock represent less than 35% of the combined voting power of our common stock, any transaction that would result in a change in control of our company requires the approval of a majority of our outstanding Class B common stock voting as a separate class;
- we currently have a dual class common stock structure, which provides Mr. Zuckerberg with the ability to control the outcome of matters requiring stockholder approval, even if he owns significantly less than a majority of the shares of our outstanding Class A and Class B common stock;
- when the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of common stock, certain amendments to our certificate of incorporation or bylaws will require the approval of two-thirds of the combined vote of our then-outstanding shares of Class A and Class B common stock;
- when the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock, vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- when the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock, our board of directors will be classified into three classes of directors with staggered three-year terms and directors will only be able to be removed from office for cause;
- when the outstanding shares of our Class B common stock represent less than a majority of the combined voting power of our common stock, our stockholders will only be able to take action at a meeting of stockholders and not by written consent;
- only our board chair, our chief executive officer, our president, or a majority of our board of directors are authorized to call a special meeting of stockholders;
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders;
- our certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established, and shares of which may be issued, without stockholder approval; and
- certain litigation against us can only be brought in Delaware.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
a) Sales of Unregistered Securities

None.

c) Issuer Purchases of Equity Securities

The following table summarizes the share repurchase activity for the three months ended March 31, 2024:

	Total Number of Shares Purchased	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs ⁽¹⁾
	(in thousands)		(in thousands)	(in millions)
January 1 - 31, 2024	15,259	\$ 375.61	15,259	\$ 75,198
February 1 - 29, 2024	14,654	\$ 466.39	14,654	\$ 68,363
March 1 - 31, 2024	3,921	\$ 501.90	3,921	\$ 66,395
Total	<u>33,834</u>		<u>33,834</u>	

- (1) On November 18, 2016, we announced that our board of directors had authorized a share repurchase program of our Class A common stock, which commenced in January 2017 and does not have an expiration date. In January 2024, an additional \$50 billion of repurchases was authorized under this program. The timing and actual number of shares repurchased depend on a variety of factors, including price, general business and market conditions, and other investment opportunities, and shares may be repurchased through open market purchases or privately negotiated transactions, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Exchange Act. See Note 13 — Stockholders' Equity in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information related to share repurchases.
- (2) Average price paid per share includes costs associated with the repurchases but excludes the 1% excise tax accrued on our share repurchases as a result of the Inflation Reduction Act of 2022.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the quarter ended March 31, 2024, the officers and directors listed below adopted, modified, or terminated trading plans intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended. References to "net shares received" below refer to net shares received by an officer after excluding any shares withheld by us to satisfy our income tax withholding and remittance obligations in connection with the net settlement of equity awards.

On February 12, 2024, Aaron Anderson, our Chief Accounting Officer, entered into a trading plan that provides for the sale of up to 2,935 shares, which includes shares held by Mr. Anderson and the gross shares to be issued from the settlement of one-eighth of the total restricted stock units underlying Mr. Anderson's initial equity award granted on May 22, 2023, of which the net shares received may be sold. The plan will terminate on November 18, 2025, subject to early termination for certain specified events set forth in the plan.

On February 21, 2024, Mark Zuckerberg, our founder, Chairman, and Chief Executive Officer entered into a trading plan that provides for the sale of an aggregate of up to 958,000 shares of our Class A common stock held by entities affiliated with Mr. Zuckerberg. The plan will terminate on November 21, 2024, subject to early termination for certain specified events set forth in the plan.

On February 28, 2024, Sheryl Sandberg, a member of our board of directors, entered into a trading plan that provides for the sale of an aggregate of 973,846 shares of our Class A common stock. The plan will terminate on November 22, 2024, subject to early termination for certain specified events set forth in the plan.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.1*	Aircraft Time Sharing Agreement, dated March 27, 2024, between Registrant and Mark Zuckerberg.					X
10.2	2012 Equity Incentive Plan forms of award agreements (Additional Forms).					X
31.1	Certification of Mark Zuckerberg, Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Susan Li, Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1#	Certification of Mark Zuckerberg, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2#	Certification of Susan Li, Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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 Labels Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).					X

* Certain portions of this exhibit have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Menlo Park, State of California, on this 24th day of April 2024.

Date: April 24, 2024

META PLATFORMS, INC.

/s/ SUSAN LI

Susan Li
Chief Financial Officer
(Principal Financial Officer)

Date: April 24, 2024

/s/ AARON ANDERSON

Aaron Anderson
Chief Accounting Officer
(Principal Accounting Officer)

EXHIBIT 10.1

AIRCRAFT TIME SHARING AGREEMENT

BETWEEN

**MARK ZUCKERBERG
AN INDIVIDUAL**

AND

**META PLATFORMS, INC.
A DELAWARE CORPORATION**

DATED

MARCH 27, 2024

INSTRUCTIONS TO COMPLY WITH TRUTH IN LEASING REQUIREMENTS

1. Mail a copy of the lease to the following address via certified mail, return receipt requested, immediately upon execution of the lease (14 C.F.R. 91.23 requires that the copy be sent within twenty-four hours after it is signed):

Federal Aviation Administration
Aircraft Registration Branch
ATTN: Technical Section
P.O. Box 25724
Oklahoma City, Oklahoma 73125

2. Telephone the nearest Flight Standards District Office at least forty-eight hours prior to the first flight under this lease. (Please see attached script)
3. Carry a copy of the lease in the aircraft at all times

AIRCRAFT TIME SHARING AGREEMENT

THIS AIRCRAFT TIME SHARING AGREEMENT (this “Agreement”) is dated as of March 27, 2024, by and between MARK ZUCKERBERG, an individual (“Lessor”), and META PLATFORMS, INC., a Delaware corporation (“Lessee”). Lessor and Lessee are hereinafter sometimes referred to individually as “Party” and also collectively as “Parties”.

RECITALS

WHEREAS, Lessor is the operator of the Aircraft described and referenced in Exhibit A attached hereto;

WHEREAS, Lessor employs, or has arranged for the employment of, or has under contract, a fully qualified flight crew to operate the Aircraft;

WHEREAS, Lessee desires to use the Aircraft from time to time; and

WHEREAS, Lessor is willing to make the Aircraft available to Lessee but only in accordance with and subject to the terms and conditions of (a) this Agreement and (b) the Federal Aviation Regulations (“FAR”) including, without limitation, Subpart F, entitled “Large and Turbine-Powered Multi-Engine Airplanes” and specifically Sections 91.501(b)(6), (c)(1) and (d) relating to “time sharing agreements” (the “**Applicable FAR**”).

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. LEASE OF AIRCRAFT. Lessor hereby agrees to lease the Aircraft to Lessee and Lessee hereby agrees to lease the Aircraft from Lessor from time to time, on a non-continuous and non-exclusive basis, subject to the Applicable FAR and the terms and conditions set forth herein. Each flight made under this Agreement, including delivery or redelivery of the Aircraft to the Home Base or to such other location as the Parties may otherwise agree, shall be referred to herein as a “**Time Sharing Flight**.”

2. TERM OF AGREEMENT

2.1 The initial term of this Agreement shall commence on the date of this Agreement and shall continue in full force and effect for **one (1) year** unless earlier terminated pursuant to **Section 17** hereof.

2.2 Unless earlier terminated pursuant to **Section 17** hereof, the initial **one (1) year term** of this Agreement shall be automatically renewed at the end of such initial term for successive **one (1) year** terms thereafter.

3. LEASE PAYMENTS

3.1 Lessee shall pay to Lessor an amount not to exceed all Time Sharing Costs (as set forth on Exhibit B attached hereto) for each Time Sharing Flight. Notwithstanding any such requirement, Lessee shall not be required to pay any amounts that are not allowed to be paid by Lessee to Lessor under the Applicable FAR. Should for any reason whatsoever Lessor receive from Lessee any amounts under this Agreement not otherwise allowed under the Applicable FAR, Lessor shall immediately refund to Lessee such disallowed amounts.

3.2 Lessee hereby agrees to pay such Time Sharing Costs to Lessor within **Ten (10) days** after receipt of Lessor’s written invoice therefor, which shall include supporting invoices and receipts relating to the Time Sharing Costs as reflected in Lessor’s invoices.

4. TAXES

4.1 Lessee shall be liable for and shall pay upon receipt of an invoice therefor, any sales, use or excise taxes imposed or otherwise assessed for each Time Sharing Flight. Notwithstanding the above, nothing contained herein shall be construed to require Lessee to pay or reimburse Lessor for any franchise, sales, use, personal property, business property or any other taxes, governmental charges or assessments imposed on the Aircraft or Lessor based on its ownership or possession of the Aircraft or any tax computed on the basis of Lessor's income, generally, and/or ownership of its assets, including the Aircraft.

4.2 If any taxing authority requires that a tax required to be paid by Lessee hereunder be collected and/or paid to the taxing authority directly by Lessor, Lessee shall, within **ten (10) days** of its receipt of a written invoice from Lessor, pay to Lessor the amount of such tax, unless such tax is being contested pursuant to **Section 4.3** hereof. In all events, Lessor shall collect the federal excise tax imposed under Internal Revenue Code Section 4261 (the "**Commercial Transportation Tax**") on all amounts paid hereunder (except for separately stated and billed ground transportation or other items not taxable).

4.3 Lessee shall have the right to contest the validity or amount of any tax required to be paid by Lessee hereunder by legal proceedings promptly instituted and diligently conducted.

5. SCHEDULING AND CANCELLATIONS

5.1 Lessee may from time to time request the use of the Aircraft for a Time Sharing Flight by contacting Lessor's "Scheduler" (as identified from time to time to Lessee by Lessor, the "**Scheduler**"). The Scheduler shall advise Lessee as to whether or not the Aircraft is available for Lessee's use and schedule the Aircraft accordingly. Such determination of availability and scheduling shall be made by Scheduler, on behalf of Lessor, in the Scheduler's sole and absolute discretion.

5.2 The Scheduler, for and on behalf of Lessor, shall arrange for flight crew, landing permits, clearances, and ground handling for all destinations and coordinate the Aircraft's movements to support Lessee's travel schedule. If seasonably requested by Lessee, the Scheduler, on behalf of Lessee, can arrange ground transportation, catering and hotel accommodations. Otherwise, details of each Time Sharing Flight shall be arranged to the mutual agreement of Lessee and Lessor.

5.3 Lessee shall notify the Scheduler of any desired cancellation of a Time Sharing Flight. Cancellation charges to be paid by Lessee shall be limited to Time Sharing Costs incurred by Lessor as of the time of such notification, including the return of the Aircraft to its home base (as set forth in **Section 29**, below). Lessor shall cause Scheduler to notify Lessee of any desired or required cancellation by Lessor. Lessor shall not be liable to Lessee for any damages or losses of Lessee, or any other party, incurred in connection with the cancellation by Lessor of any Time Sharing Flight.

6. MAINTENANCE RESPONSIBILITY. Lessor, at its own cost and expense, shall be responsible for all service, repair, inspection, maintenance and overhaul to be done to the Aircraft during the term of this Agreement. Such service, repair and maintenance shall take precedence over scheduling of the Aircraft for Time Sharing Flights, unless such can be safely deferred in accordance with applicable laws and regulations, as determined in Lessor's sole discretion, subject to the final authority of the Pilot-In-Command to not initiate or to terminate a Time Sharing Flight. Lessor shall maintain all records, logs and other materials required by the United States Department of Transportation or the FAA with respect to the maintenance of the Aircraft.

7. OPERATIONAL CONTROL. Lessor shall have complete and absolute operational control of the Aircraft. "**Operational Control**" as defined in 14 C.F.R. Paragraph 1.1 and for the purpose of this Agreement, with respect to a flight, means the exercise of authority over initiating, conducting or terminating a flight, which shall include, without limitation, providing the flight crew, selecting the Pilot-In-Command and all other physical and technical operations of the Aircraft.

8. DUTIES AND RESPONSIBILITIES OF CREW. In accordance with applicable FAR, the qualified flight crew provided or contracted for by Lessor will exercise all of its duties and responsibilities in regard to the safety of each flight conducted hereunder. Lessee specifically agrees that the flight crew, in its sole discretion, may terminate any flight, refuse to commence any flight, or take other action which in the considered judgment of the pilot-in-command is necessitated by considerations of safety. The pilot-in-command shall determine the routing, approve the payload, and otherwise decide all matters relating to the safety of each flight and shall have final and complete authority over all matters concerning the preparation of the Aircraft for flight and the flight itself, including whether to cancel any flight for any reason or condition, which in the judgment of such pilot in command would compromise the safety of the flight. No such action of the pilot-in-command shall create or support any liability for loss, injury, damage or delay to Lessee or any other person. Lessor's operation of the Aircraft hereunder shall be strictly within the guidelines and policies established by Lessor and FAR Part 91. Lessee acknowledges and agrees that Lessor shall not be liable under any circumstances for delay or failure to furnish the Aircraft and the flight crew pursuant to this Agreement, except in the event of willful misconduct by Lessor.

9. LEGAL TITLE TO THE AIRCRAFT. Legal title to the Aircraft shall remain with the legal owner at all times.

10. REPRESENTATIONS AND WARRANTIES OF LESSOR. Lessor hereby represents and warrants to Lessee as follows:

10.1 Lessor has the absolute and unrestricted right, power and authority to enter into and perform its obligations under this Agreement, and the execution and delivery of this Agreement by Lessor have been duly authorized by all necessary action on the part of Lessor. This Agreement constitutes a legal, valid and binding obligation of Lessor, enforceable in accordance with its terms.

10.2 Lessor is an individual authorized to own or lease its properties and to carry on its business as presently conducted.

10.3 Lessor is a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49, United States Code.

10.4 Lessor is eligible for the benefits of the Applicable FAR.

10.5 NEITHER LESSOR NOR OWNER MAKE ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE DESIGN, OPERATION, OR CONDITION OF, OR AS TO THE QUALITY OF THE AIRCRAFT. IN ADDITION, LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OF FITNESS OF SUCH AIRCRAFT FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY OR REPRESENTATION WHATSOEVER.

11. REPRESENTATIONS AND WARRANTIES OF LESSEE. Lessee hereby represents and warrants to Lessor as follows:

11.1 Lessee has the absolute and unrestricted right, power and authority to enter into and perform its obligations under this Agreement, and the execution and delivery of this Agreement by Lessee have been duly authorized by all necessary action on the part of Lessee. This Agreement constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms.

11.2 Lessee is a corporation duly organized, existing and in good standing under the laws of the State of Delaware and has all necessary power and authority under applicable corporate law and its organizational documents individual.

12. AIRCRAFT USE BY LESSEE. It is understood and agreed by Lessee that Lessee's use of the Aircraft for each Time Sharing Flight shall be for Lessee's own account and that Lessee is prohibited from providing transportation of passengers or cargo for compensation or hire under the FAR.

13. INSURANCE. Lessor will maintain, or cause to be maintained and in effect, at all times during the term of this Agreement, with insurers of recognized responsibility, aircraft hull and liability insurance with respect to the Aircraft in such amount and type usually carried by companies similarly situated with Lessor, acting as an owner-operator, and owning and operating similar aircraft, and covering such other risks as are customarily insured against by such companies. Lessor shall cause Lessee to be named as an additional insured on the aircraft liability insurance policy and shall provide a certificate of insurance to Lessee confirming the same prior to commencement of Lessee's first flight under this Agreement.

14. LIMITATION OF LIABILITY. Each Party to this Agreement agrees to indemnify and hold harmless the other Party and its respective officers, directors, partners, employees, shareholders, and affiliates from any claim, damage, loss, or reasonable expense, including reasonable attorney's fees, resulting from the bodily injury or property damage caused by an occurrence and arising out of the ownership, maintenance, or use of the Aircraft, which results from the gross negligence or willful misconduct of such Party, provided that neither Party shall be liable for any such loss to the extent:

14.1 Such loss is covered by the insurance policies described in **Section 13**, above;

14.2 Such loss is covered by such policies but the amount of such loss exceeds the policy limits; or

14.3 Such loss consists of expenses incurred in connection with any loss covered, in whole or in part, by such policies but such expenses are not payable under such policies.

EACH PARTY AGREES THAT (A) THE PROCEEDS OF INSURANCE TO WHICH IT IS ENTITLED, (B) ITS RIGHTS TO INDEMNIFICATION FROM THE OTHER PARTY UNDER THIS **SECTION 14**, AND (C) ITS RIGHT TO DIRECT DAMAGES ARISING IN CONTRACT FROM A MATERIAL BREACH OF THE OTHER PARTY'S OBLIGATIONS UNDER THIS AGREEMENT ARE THE SOLE REMEDIES FOR ANY DAMAGE, LOSS, OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. EXCEPT AS SET FORTH IN THIS **SECTION 14** EACH PARTY WAIVES ANY RIGHT TO RECOVER ANY DAMAGE, LOSS, OR EXPENSE ARISING OUT OF THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER OR CONTEMPLATED HEREBY. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR OR HAVE ANY DUTY FOR INDEMNIFICATION OR CONTRIBUTION TO THE OTHER PARTY FOR ANY CLAIMED INDIRECT, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, OR FOR ANY DAMAGES CONSISTING OF DAMAGES FOR LOSS OF USE OR DEPRECIATION OF VALUE OF THE AIRCRAFT, LOSS OF PROFIT OR INSURANCE DEDUCTIBLE.

The provisions of this **Section 14** shall survive the termination or expiration of this Agreement.

15. DATA PROTECTION. To the extent applicable (and as further specified in Exhibit C, "Data Protection Attachment" to this Agreement), Lessor shall comply with the terms available at <http://www.facebook.com/legal/terms/Privacy> (or a successor location) (the "**DPA**") which are hereby incorporated by reference into this Agreement. For the purposes of the DPA and this Agreement, Lessor shall be a "Service Provider" to the extent "Processor" is checked and "Third Party" to the extent "Controller" is checked in the Exhibit C to this Agreement.

16. SHARED DATA. To the extent that Lessor shares any personal data with Meta, Lessor will ensure that (a) any personal data it transfers to Meta (or any of its Affiliates) ("**Lessor Shared Data**") is not subject to any prohibitions or restrictions which would prevent or restrict Lessor from disclosing or transferring such Lessor Shared Data to Meta (or its Affiliates) and (b) all fair processing notices have been given and/or valid consents (including marketing consents) have been obtained from the data subjects and have not been withdrawn, or Lessor otherwise has a lawful basis for disclosing or transferring the Lessor Shared Data to Meta (or its Affiliates).

17. TERMINATION. Either Party may terminate this Agreement at any time upon **ten (10) business days** prior written notice to the other Party.

18. **ASSIGNMENT.** Neither Party shall assign this Agreement or any rights hereunder at any time without the other Party's prior written consent.
19. **AMENDMENTS AND WAIVERS.** No term or provision of this Agreement may be amended, modified, waived, discharged or terminated orally, but only by a written instrument signed by the Party against which enforcement of such amendment, modification, waiver, discharge or termination is sought. No delay or failure by either Party to exercise any right under this Agreement shall constitute a waiver of that or any other right hereunder and any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.
20. **NOTICES.** Unless otherwise expressly provided by law or herein, all notices, instructions, demands and other communications hereunder shall be in writing and shall be delivered personally or sent by registered or certified mail, postage prepaid and return receipt requested, or sent by facsimile or other electronic transmission (the receipt of which shall be confirmed by the Parties, either by a confirming copy sent by air mail, postage prepaid, or some other manner which confirms receipt of the facsimile or electronic transmission) and the date of personal delivery of facsimile or electronic transmission or **three (3) business days** after the date of mailing (other than in the case of the mailing of a confirming copy of a facsimile transmission), as the case may be, shall be the date of such notice, in each case to the address of such Party set forth on the signature page hereto (or at such other address and/or facsimile number as a Party shall have furnished to the other in writing).
21. **ENTIRE AGREEMENT.** This Agreement is the entire agreement between the Parties. No agreements, representations, or warranties other than those specifically set forth herein shall be binding on either Party unless in writing signed by both Parties.
22. **GOVERNING LAW.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California without regard to conflicts of law principles.
23. **HEIRS AND SUCCESSORS.** This Agreement and each of its provisions shall be binding on and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustees, successors and assigns of the Parties to this Agreement. Nothing contained in this **Section 23** shall be construed as consent by such Party to any assignment of this Agreement or any interest therein by the other Party.
24. **FURTHER ASSURANCES.** Each Party shall execute and deliver to the other such further documents and take such further action as may be necessary to effectuate the intent and purpose of this Agreement.
25. **CAPTIONS.** The captions used in this Agreement are solely for convenience of reference and do not form part of this Agreement.
26. **NO THIRD-PARTY BENEFICIARY.** No person, other than the Parties expressly named herein, is intended to be a beneficiary of any provisions of this Agreement.
27. **SEVERABILITY.** If any term or provision of this Agreement or the application thereof to any person or circumstances shall, to any extent, be prohibited or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held prohibited or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.
28. **COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute and be one and the same instrument.
29. **HOME BASE OF AIRCRAFT.** The Aircraft is based at [***].

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30. TRUTH IN LEASING.

30.1 LESSOR HAS REVIEWED THE AIRCRAFT'S MAINTENANCE RECORDS AND OPERATING LOGS AND HAS FOUND THAT, DURING THE TWELVE MONTHS PRECEDING THE DATE OF THIS AGREEMENT, THE AIRCRAFT HAS BEEN MAINTAINED AND INSPECTED UNDER PART 91 OF THE FEDERAL AVIATION REGULATIONS. LESSOR CERTIFIES THAT THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS AGREEMENT.

30.2 LESSOR AND LESSEE CERTIFY THAT LESSOR AND NOT LESSEE IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THIS AGREEMENT DURING THE TERM OF THIS AGREEMENT. LESSOR FURTHER CERTIFIES THAT LESSOR UNDERSTANDS ITS RESPONSIBILITY FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

30.3 LESSOR AND LESSEE UNDERSTAND THAT AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND THE PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

30.4 LESSOR AND LESSEE CERTIFY AND AGREE THAT A TRUE COPY OF THIS AGREEMENT SHALL BE CARRIED ON THE AIRCRAFT AT ALL TIMES DURING ANY TIME SHARING FLIGHT, AND SHALL BE MADE AVAILABLE FOR INSPECTION UPON REQUEST BY AN APPROPRIATELY CONSTITUTED IDENTIFIED REPRESENTATIVE OF THE FEDERAL AVIATION ADMINISTRATION.

IN WITNESS WHEREOF, the Parties have executed this Aircraft Time Sharing Agreement as of the day and year first above written.

LESSOR:
MARK ZUCKERBERG
an individual

LESSEE:
META PLATFORMS, INC.
a Delaware corporation

/s/ Mark Zuckerberg

By: /s/ Katherine R. Kelly

Address:

Name: Katherine R. Kelly

[**]

Title: Vice President and Corporate Secretary

Address: 1 Meta Way, Menlo Park, CA 94025

EXHIBIT A
AIRCRAFT

[***]

EXHIBIT B
TIME SHARING COSTS
(Actual Costs)

1. Fuel, oil, lubricants and other additives
2. Travel expenses of the crew, including food, lodging and ground transportation
3. Hangar and tie-down costs away from the aircraft's base of operation
4. Insurance obtained for the specific flight.
5. Landing fees, airport taxes and similar assessments.
6. Customs, foreign permit, and similar fees directly related to the flight.
7. In flight food and beverages.
8. Passenger ground transportation.
9. Flight planning and weather contract services.
10. An additional "time sharing charge" not to exceed the amount set forth in 1, above.

EXHIBIT C
DATA PROTECTION ATTACHMENT

[***]

**TIME SHARING AGREEMENT
FSDO SCRIPT**

[***]

Aircraft Time Sharing Agreement

**META PLATFORMS, INC.
2012 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Unless otherwise defined herein, the terms defined in the Meta Platforms, Inc. (the “*Company*”) 2012 Equity Incentive Plan (the “*Plan*”) shall have the same defined meanings in this Award Agreement (Restricted Stock Units) (the “*Agreement*”).

Participant has been granted Restricted Stock Units (“*RSUs*”) subject to the terms, restrictions and conditions of the Plan, the Notice of Restricted Stock Unit Award (the “*Notice*”) and this Agreement (including any and all exhibits and addenda thereto).

1. **Settlement of RSUs.** Settlement of RSUs shall be made within 30 days following the applicable date of vesting under the vesting schedule set forth in the Notice. Settlement of RSUs shall be in Shares or, as determined by the Company in its sole discretion, in cash.
 2. **No Stockholder Rights.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs and, except as set forth in Section 3 below, shall have no rights with respect to such Shares (including right to dividends or to vote such Shares).
 3. **Dividends.** Unless otherwise determined by the Committee, if a dividend is declared on Shares during the period commencing on the Grant Date and ending on the date on which the Shares underlying the RSUs are distributed to the Participant pursuant to this Agreement, the Participant shall be eligible to receive an amount equal to the dividend that the Participant would have received had the Shares underlying the RSUs been held by the Participant as of the record date for such dividend (a “*Dividend Equivalent*”). Such Dividend Equivalent will be subject to the same vesting conditions as the original RSU granted under this Agreement. Each Dividend Equivalent shall not accrue interest and will be settled in cash or, subject to the approval of the Committee and to the extent permitted under the terms of the Plan (including pursuant to any amendment to the Plan effective after the Grant Date), in Shares, as soon as reasonably practicable (and in no event later than 60 days) after the applicable Vesting Date of the corresponding RSUs, or at such other time as set forth in the Notice. For the avoidance of doubt, no Dividend Equivalent will be paid with respect to any RSUs that are forfeited.
 4. **Non-Transferability of RSUs.** RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent or distribution or unless otherwise permitted by the Committee on a case-by-case basis.
 5. **Termination.** If Participant’s service Terminates for any reason, all unvested RSUs (including any related Dividend Equivalents) shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs (including any related Dividend Equivalents) shall immediately terminate. In case of any dispute as to whether Termination has occurred, the Company shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination for purposes of the Plan. For the avoidance of doubt, except as may be agreed to in the sole discretion of the Company, if Participant is Terminated by Participant’s employer for any reason or if Participant’s Termination is due to voluntary resignation, all unvested RSUs (including any related Dividend Equivalents) shall be forfeited as of the date on which Participant is no longer actively providing services, and no vesting shall continue during any notice period, including any “garden leave” or similar period, that may be mandated in relation to Termination (even if such a notice period generally applies to Participant’s employment due to contract or applicable law), nor will Participant be entitled to vest in a pro-rata portion of the RSUs; provided, however, that if applicable laws explicitly require continued entitlement to vesting of the RSUs during a statutory or contractual notice period, Participant’s right to vest in the RSUs under the Plan, if any, will terminate effective as of the last day of Participant’s statutory or contractual notice period (as applicable). Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of Participant’s statutory or contractual notice period.
 6. **Withholding Taxes.** Prior to the settlement of Participant’s RSUs and as a condition to and in consideration of the grant, vesting, and settlement of the RSUs and payment of any Dividend Equivalents with respect thereto, Participant shall pay or make adequate arrangements satisfactory to the Company (and any Subsidiary or affiliate) to satisfy all withholding
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obligations of the Company (and any Subsidiary or affiliate) and any other amounts in relation to the RSUs and the rights thereunder, including any applicable taxes, social contributions, required deductions, or other payments. In this regard, Participant authorizes the Company (and any Subsidiary or affiliate) to withhold all such amounts legally payable by Participant. In this regard, Participant authorizes the Company (and any Subsidiary or affiliate), at the direction and discretion of the Committee, to satisfy all obligations by one or a combination of the following: (i) payment of a cash amount by Participant, (ii) by withholding from Participant's wages or other cash compensation paid to Participant by the Company (and any Subsidiary or affiliate), (iii) withholding Shares based on the Fair Market Value of the Shares that otherwise would be issued to Participant when Participant's RSUs are settled, provided that the Company does not withhold more than the amount of Shares necessary to satisfy the maximum statutory withholding amount, (iv) by withholding from proceeds of the sale of Shares acquired upon settlement of the RSUs through a voluntary or mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization without further action by Participant), or (v) by any other arrangement approved by the Committee, all under such rules as may be established by the Committee and in compliance with the Company's Insider Trading Policy and 10b5-1 Trading Plan Policy, if applicable. The Company may refuse to deliver the Shares, Dividend Equivalent amounts or the proceeds from the sale of Shares if Participant fails to comply with Participant's obligations in connection with the tax withholding or other payments as described in this section.

7. **Acknowledgment.** As a condition to, and in consideration of, the grant, vesting, and settlement of the RSUs, the Company and Participant agree that the RSUs are granted under and governed by the Notice, this Agreement (including the Jurisdiction-Specific Addendum hereto) and the provisions of the Plan. By receiving the RSUs, Shares, or otherwise any benefit relating to the RSUs, Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

8. **Entire Agreement; Enforcement of Rights.** This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the issuance of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

9. **Data Protection.** Unless otherwise provided for in the Jurisdiction-Specific Addendum hereto, in order to enable the Company to properly administer the Plan and the RSUs received by the Participant pursuant to the Plan, Participant hereby gives explicit consent to the Company, any Subsidiary, Parent or Affiliate of the Company, and/or any delegates to collect and process (electronically or otherwise) personal data, including sensitive and financial data, about himself or herself necessary to administer the Plan and RSUs received by Participant pursuant to the Plan. Such data may include, but is not limited to, Participant's name, work authorization, government or tax identification number, date of birth, beneficiaries' contact information, RSU grant history, and compensation information. Participant also hereby gives explicit consent to the Company and any Subsidiary, Parent or Affiliate of the Company to transfer (electronically or otherwise) any such data outside the country in which Participant is living or employed (including to the United States), as well as to third-party providers (in Participant's home country or the United States or other countries) of legal, tax, benefits, administration or other services to the Company (and any Subsidiary, Parent or Affiliate of the Company) or employees of any such entity, including but not limited to the designated broker for the Plan, Charles Schwab. The legal person for whom such personal data is intended to be used is the Company and/or any Subsidiary, Parent or Affiliate of the Company. Participant further understands that the Company and/or its Subsidiary, Parent or Affiliate may report information regarding the Participant and/or the RSU to tax authorities or other governmental agencies as may be required to comply with applicable laws.

10. **Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable national or local laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer. Furthermore, the applicable laws of the jurisdiction in which Participant is living or working at the time of grant, vesting and/or settlement of the RSUs and/or disposition of the Shares received thereunder (including any rules or regulations governing securities, exchange control, tax, labor or other matters) and any other applicable laws may restrict or prevent settlement of the RSUs and/or disposition of the Shares received thereunder or may subject Participant to additional procedural or regulatory requirements. The Company will be under no obligation to register or qualify the Plan, the RSUs or the Shares with, or to effect compliance with the registration, qualification or other requirements of, any foreign governmental authority and the Company will have no liability for any inability or failure to do so.

11. Jurisdiction-Specific Addendum and Additional Requirements. The RSUs, any Shares to be issued upon settlement of the RSUs and participation in the Plan shall be subject to any different or additional terms and conditions set forth in the Jurisdiction-Specific Addendum hereto. Moreover, the Company reserves the right to impose other requirements on the RSUs, the Shares to be issued upon settlement of the RSUs and participation in the Plan to the extent necessary or advisable for legal or administrative reasons and to require Participant to sign any additional agreements or undertakings that may be necessary or advisable to accomplish the foregoing. Such requirements will apply as from the date of grant, including in circumstances where Participant moves to another country after the date of grant, unless otherwise determined by the Company in its sole discretion.

12. Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (a) such provision shall be excluded from this Agreement, (b) the balance of this Agreement shall be interpreted as if such provision were so excluded and (c) the balance of this Agreement shall be enforceable in accordance with its terms.

13. Governing Law; Choice of Venue. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflict of laws. For purposes of litigating any dispute that may arise directly or indirectly from the Plan, the Notice and this Agreement, the parties hereby submit and consent to litigation in the exclusive jurisdiction of the State of California and agree that any such litigation shall be conducted only in the courts of California or the federal courts of the United States for the Northern District of California and no other courts.

14. No Rights as Employee, Director or Consultant. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent, Subsidiary or Affiliate of the Company, to terminate Participant's service in accordance with applicable laws, which may provide for the termination of Participant's service for any reason, with or without cause.

15. Nature of Grant. As a condition to, and in consideration of, the grant, vesting, and settlement of RSUs, and in receiving the award of RSUs, Shares, or any other benefit relating to the RSUs, Participant acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and it may be unilaterally modified, amended, suspended or terminated by the Company at any time, unless otherwise provided in the Plan and this Agreement;

(b) the grant of the RSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs or other Awards, or benefits in lieu of RSUs, even if RSUs have been granted in the past;

(c) all decisions with respect to future grants of RSUs, if any, will be at the sole discretion of the Company;

(d) Participant is voluntarily participating in the Plan;

(e) the RSUs, the Dividend Equivalents and the Shares subject to the RSUs, and the income from and value of same, are an extraordinary item that do not constitute compensation of any kind for services of any kind rendered to the employer, the Company or any Subsidiary or Parent of the Company and are outside the scope of Participant's employment or service contract, if any;

(f) the RSU, the Dividend Equivalents and the shares of Common Stock subject to the RSU, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the RSUs, the Dividend Equivalents and the Shares subject to the RSUs, and the income from and value of same, are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation

for, or relating in any way to, past services for the employer, the Company or any Subsidiary, Parent or Affiliate of the Company;

(h) unless otherwise agreed with the Company, the RSU, the Dividend Equivalents and the Shares subject to the RSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service Participant may provide as a director of a Parent, Subsidiary or Affiliate of the Company;

(i) the RSUs, the Dividend Equivalents and Participant's participation in the Plan will not be interpreted to form or amend an employment or service contract or relationship with the Company or with any Parent, Subsidiary or Affiliate of the Company;

(j) the future value of the underlying Shares to be issued when the RSUs are settled is unknown, indeterminable and cannot be predicted with certainty and neither the Company nor any Parent, Subsidiary or Affiliate of the Company will be liable for any decrease in the value of such RSUs or Shares or for any foreign exchange rate fluctuations between Participant's local currency and the United States Dollar that may affect the value of any benefit Participant may receive in relation to the RSUs or the Shares to be issued pursuant to the settlement of the RSUs; and

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs (including any related Dividend Equivalents) resulting from Termination or from any diminution in value of the RSUs or Shares acquired upon settlement of the RSUs for any reason.

16. Language. Participant acknowledges that Participant is sufficiently proficient in English, or has consulted with an advisor who is sufficiently proficient in English, so as to allow Participant to understand the terms and conditions of this Agreement. If the Notice, the Plan, this Agreement or any other documents relating to the RSUs has been provided in a language other than English, the English language documents will prevail in the case of any ambiguities or divergences as a result of translation, unless otherwise required by applicable laws.

17. Acknowledgment and Acceptance. By Participant's acceptance (whether in writing, electronically or otherwise) of the Notice or receipt of the RSUs, Shares or any other benefit relating to the RSUs, and as a condition to and in consideration of the grant, vesting, and settlement of the RSUs:

(a) Participant and the Company agree that the RSUs are granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement (including any applicable terms and conditions provided in the Jurisdiction-Specific Addendum);

(b) Participant acknowledges receipt of a copy of the Plan and the Plan prospectus and represents that Participant has carefully read and is familiar with the provisions of the Plan, the Plan prospectus, the Notice and this Agreement and has had an opportunity to obtain the advice of counsel prior to executing this Agreement;

(c) Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement;

(d) Participant consents to the electronic delivery of the Notice, this Agreement, the Plan, account statements, Plan prospectuses required by the SEC, U.S. financial reports of the Company, and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to the RSUs and any related Dividend Equivalents; electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other delivery determined at the Company's discretion; and

(e) Participant agrees to notify the Company upon any change in Participant's residence address.

Jurisdiction-Specific Addendum

This Jurisdiction-Specific Addendum (the “**Addendum**”) includes additional (or, if so indicated, different) terms and conditions that govern the RSUs if Participant is subject to the laws of one or more of the jurisdictions listed herein. If Participant is a citizen or resident of a jurisdiction (or is considered as such for local law purposes) other than the one in which Participant is currently residing and/or working or if Participant transfers to another jurisdiction after being granted the RSUs, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

This Addendum also includes notifications relating to issues of which Participant should be aware with respect to Participant’s participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the jurisdictions as of January 2024. Such laws are often complex and change frequently. As a result, Participant should not rely on the information in this Addendum as the only source of information relating to the consequences of Participant’s participation in the Plan because the information may be out of date at the time the RSUs vest or are settled or at the time Participant sells Shares acquired under the Plan. In addition, the notifications are general in nature and may not apply to Participant’s particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant should seek appropriate professional advice as to how the laws in the relevant jurisdictions may apply to Participant’s situation. If Participant is a citizen or resident of a jurisdiction (or is considered as such for local law purposes) other than the one in which Participant is currently working and/or residing or if Participant transfers to another jurisdiction after being granted the RSUs, the information contained herein may not be applicable to Participant in the same manner.

This Addendum forms part of the Agreement and should be read in conjunction with the Agreement and the Plan. Unless otherwise defined herein, the terms defined in the Plan or the Agreement, as applicable, shall have the same defined meanings in this Addendum.

All Jurisdictions	Non-U.S.	Taxes
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The following supplements Section 6 of the Agreement:

Participant acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary or Affiliate employing Participant (the “**Employer**”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to participation in the Plan and legally applicable to Participant (“**Tax-Related Items**”) is and remains Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. Participant further acknowledges that the Company and/or the Employer make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs or any related Dividend Equivalents including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired upon settlement and the receipt of any dividends, and do not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate my liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is subject to Tax-Related Items in more than one jurisdiction, Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Without derogating from the provisions of Section 6(iii) above, the Company may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including minimum or maximum rates applicable in Participant’s jurisdiction(s). If the Company determines the withholding amount using maximum applicable rates, any over-withheld amount may be refunded in cash in accordance with applicable laws with no entitlement to the equivalent in Shares), or if not refunded, Participant may seek a refund from the local tax authorities. In the event of under-withholding, Participant may be required to pay any additional Tax-Related Items directly to the applicable tax authority or the Company and/or the Employer. Further, if the obligation for the Tax-Related Items is satisfied by withholding Shares as described in Section 6(iii) above, for tax purposes, Participant will be deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of the Shares is held back solely for the purpose of paying the Tax-Related Items.

Insider Trading Restrictions/Market Abuse Laws

Participant acknowledges that, depending on Participant’s or Participant’s broker's country of residence or where the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws which may affect Participant’s ability to accept, acquire, sell or otherwise dispose of the Shares, rights to Shares (e.g., RSUs) or rights linked to the value of Shares (e.g., phantom awards, futures) during such times Participant is considered to have “inside information” regarding the Company as defined in the laws or regulations in Participant’s country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Keep in mind third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Meta Platforms, Inc. Insider Trading Policy as may be amended from time to time. *Participant acknowledges that it is their responsibility to comply with any restrictions and that Participant should consult their personal legal advisor on this matter.*

Exchange Control, Foreign Asset/Account Reporting, and Other Requirements

Without limitation to any requirements noted below for any specific country, Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the vesting and settlement of the RSUs, the acquisition, holding and/or transfer of Shares or cash resulting from participation in the Plan (including from any dividends or Dividend Equivalents received or sale proceeds arising from the sale of Shares) and/or the opening and maintaining of a brokerage or bank account in connection with the Plan. Participant may be required to report such assets, accounts, account balances and values, and/or related transactions to the applicable authorities in their country. Participant may also be required to repatriate sale proceeds or other funds received as a result of their participation in the Plan to their country through a designated bank or broker and/or within a certain time after receipt. *Participant acknowledges that it is their responsibility to comply with any applicable foreign asset/account, exchange control and tax reporting and other requirements and that Participant should consult their personal tax and legal advisors on these matters.*

Securities Law Notice

Unless otherwise noted herein, neither the Company nor the Shares are registered with any local stock exchange or under the control of any local securities regulator outside the U.S. This Agreement, the Plan, and any other communications or materials that Participant may receive regarding participation in the Plan do not constitute advertising or an offering of securities outside the U.S. The issuance of securities described in any Plan-related documents is not intended for offering or public circulation in Participant's jurisdiction.

California

Data Privacy

Effective January 1, 2023, the California Consumer Privacy Act ("**CCPA**") and the California Privacy Rights Act ("**CPRA**") (collectively, "**California Privacy Law**") require the provision of a privacy notice at collection to California employees using a specified format. The following provisions address California Privacy Law requirements and describes the **Personal Information** collected about Participants in the context of their participation in the Plan, as well as summarizes the rights available to California residents.

I. Does the Company collect Participant's Personal Information?

When the Company says Personal Information in this Jurisdiction-Specific Addendum, the Company means information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with Participant. Personal Information does not include information that is aggregated or information that cannot be reasonably linked to Participant. The Company must process information about Participant, including Personal Information, for participation in the Plan. The categories of Personal Information the Company has collected or may collect about Participant include:

- **Identifiers**, such as your name, contact information (such as home address, phone number, email address), online identifiers, date and place of birth, Employee ID number, emergency contact information, and information you make publicly available, or you provide to us (such as information included in your resume)
- **Education Information**, such as information about your education background collected during the application process.
- **Financial Information**, such as payroll information, payment information, pension related information, work travel and expense information, credit card information, insurance details, sick pay, and benefits information (including the personal details of any spouse or eligible dependents or beneficiaries).
- **Professional or Employment Information**, such as information you have provided during the application process or in the course of your work, such as your resume and application, employment background, references, work permit or visa information, relevant skills, information about your application process (e.g., interview feedback), background check report. We also collect information about your work and employment, including current position, title, employment status, salary plan, pay grade or level, working hours, hours worked, events attended or signed up for, retirement eligibility, leave information (including paid time off and parental leave), performance appraisals, internal applications, training records, promotions, disciplinary and grievance records, correspondence with you, responses to surveys you complete, exit interview details and termination date
- **Sensitive Personal Information**, as defined by California Privacy Law and where provided or made available, such as your social security, government ID, driver's license, state identification card, or passport number; racial or ethnic origin, religious or philosophical beliefs; sexual orientation; health-related information, including physical or mental disability and information relating to accommodations that you may request during the recruiting process and/or throughout your employment; and complete account access credentials, such as computer user names combined with required access/security code or password.
- **Other characteristics of protected classifications**, such as your gender, marital status, insurance policy number, and health insurance information.

II. How does the Company use Personal Information?

The Company uses the Personal Information described above in the context of Participant's participation in the Plan. Company's business purposes for collecting this information include:

- **To manage Company's employment relationship with Participant**, for example:
 - To determine and administer employee benefits, such as RSUs;
 - To pay Participant, and to determine local and foreign taxes;
 - To respond to Participant's inquiries (e.g., via peeps@ or via Participant's HR Business Partner), Company will use Participant's information in order to resolve the inquiry and answer Participant's questions.
 - **To maintain and improve efficiencies and processes in the workplace, to inform management decisions, and for effective employee administration**, for example
 - To prepare management reporting and perform analysis.
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- **To maintain the safety and security of the Company, Company’s employees and others, to comply with contractual obligations, to enforce Company’s policies, and to defend Participant’s or the Company’s interests in legal proceedings,** for example:
 - To prevent and detect inappropriate or malicious activities;
 - To defend Participant’s or Company’s interests in actual or threatened legal proceedings, or regulatory, administrative, or legislative inquiries or investigations;
 - Company processes Participant’s information in the context of mergers, acquisitions and divestitures, in order to manage such transactions.
- **Where legal and regulatory obligations require Company to do so,** for example:
 - To prevent fraud;
 - For the purposes of financial and tax regulation, Shares required information with applicable tax, social welfare, employment authorities;
 - To provide a working environment free from unlawful discrimination (*e.g.*, diversity and equal opportunities monitoring) and complying with other employment protection and social security and social protection legislation.

The Company does not use Personal Information for commercial purposes. The Company does not “sell” or “share” Personal Information, as those terms are defined by California Privacy Law.

III. Sensitive Personal Information

The Company collects, processes, and uses Personal Information that may be considered sensitive personal information within the meaning of California Privacy Law, including social security and driver’s license numbers. In each instance, the use of sensitive personal information is reasonably necessary and proportionate for the purpose outlined above. For categories of sensitive personal information that the Company collects, the Company only uses or discloses it as described above or otherwise permitted by law, including California Privacy Law.

IV. Retention of Personal Information

The Company will retain Personal Information, including sensitive personal information, for as long as is reasonably necessary for the business purposes described above. The Company considers the following factors when determining the length of time to retain Personal Information:

- The specific business purpose for collecting each category of Personal Information;
 - Whether and for how long we need to retain the information to manage our employment relationship with you and otherwise comply with certain legal obligations;
 - Whether we need the information to resolve a dispute or to enforce our contractual agreements; and
 - Whether we need the information for other purposes, such as to prevent harm, promote safety, security and integrity, or protect ourselves, including our rights, property or products.
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European Union (“EU”)/ European Economic Area (“EEA”)/ Switzerland/United Kingdom	Data Privacy The following replaces Section 9 of the Agreement: <i>In order to offer participation in the Plan, it is necessary for the Company to collect and process certain information about Participant. Further detail about this is set out below.</i> <i>Participant’s participation in the Plan is voluntary. Participant may withdraw from the Plan at any time. Withdrawal from the Plan will not affect Participant’s salary as an employee or Participant’s employment; Participant would merely forfeit the opportunities and benefits associated with the Plan.</i>
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If Participant withdraws from the Plan, the Company will cease to use Participant’s information for the purpose of the Plan (subject to the data retention requirements set out below).

Data Collection and Usage. *The Company collects, uses, processes and transfers the following information about Participant for the purpose of administration of the Plan: name, home address, telephone number and email address, date of birth, identification number (depending on Participant’s jurisdiction, e.g., social insurance number, passport number, tax identification number), salary, citizenship, nationality, job title and other company details, any equity, shares of stock or directorships held in the Company and its Affiliates, details of all RSUs or any other entitlement to equity granted, canceled, vested, unvested or outstanding in Participant’s favor, which the Company receives from Participant or the Employer (“Participant Data”).*

The provision of Participant Data is a contractual requirement. Participant understands, however, that the only consequence of refusing to provide Participant Data is that the Company may not be able to administer or maintain such awards.

Data Processing. *The Company will process (e.g., collect, use and transfer) Participant Data for the purposes of allocating stock and implementing, administering and managing the Plan. The Company will also process Participant Data where legal and regulatory obligations require the Company to do so, and if necessary to defend Participant’s or the Company’s interests in legal proceedings.*

The Company processes Participant Data:

- *as necessary for the performance of the Plan,*
- *as necessary to comply with the Company’s legal obligations,*
- *as necessary for the Company’s (or others’) legitimate interests, including if necessary to defend Participant’s or the Company’s in legal proceedings.*

Stock Plan Administration Service Providers. *The Company currently uses Charles Schwab & Co., Inc. (“Charles Schwab”) as its service provider for the Plan. The Company shares Participant Data with Charles Schwab for the purposes of implementing, administering and managing the Plan. Charles Schwab is based in the United States. In the future, the Company may select a different service provider and share Participant Data with another company that serves in a similar manner. The Company’s service provider(s) will open an account for Participant to receive and trade stock. Participant may be asked to agree to separate terms and data processing practices with the service provider(s), which is a condition to Participant’s participation in the Plan.*

The Company and its affiliates (Meta Companies) share infrastructure, systems and technology to process Participant Data, to ensure efficiency and security, as permitted by applicable law, and in accordance with this provision of the Agreement.

International Data Transfers. *The Company and its service provider(s) are based in the United States, which means that it will be necessary for Participant Data to be transferred to, and processed in, the United States. Participant should note that their country may have enacted data privacy laws that are different from the United States and which may offer different levels of protection. When transferring Participant Data to these service providers, the Company provides appropriate safeguards in accordance with legally binding and permissible agreements. The legal basis for the transfer of Participant Data is based on contractual necessity for the performance of the Plan and the Company’s collection and use of Participant Data will continue to be governed by this provision of the Agreement. The Company utilises standard contractual clauses approved by the European Commission or any comparable successor version of the standard contractual clauses, and relies on the European Commission’s adequacy decisions about certain countries, as applicable, for data transfers from the EEA to the United States and other countries.*

Data Retention. *The Company will use Participant Data only as long as is necessary to implement, administer and manage Participant's participation in the Plan or as may be required by the Company in order to comply with legal or regulatory obligations, including under tax and securities laws (which will generally be no more than 7 years after the Participant ceases participating in the Plan).*

Data Subject Rights. *Under the General Data Protection Regulation, to the extent provided by law, Participant has the right to access, rectify, port and erase their Participant Data.*

To the extent provided by law, Participant also has the right to object to and restrict certain processing of their Personal Data. This includes the right to object to the Company's processing of Participant's Personal Data where the Company is performing a task in the public interest or pursuing the Company's legitimate interests or those of a third party.

Participant also has the right to lodge a complaint with their local data protection supervisory authority.

If Participant would like to exercise their rights or raise questions regarding this provision of the Agreement, please contact MyDataPrivacyRights@fb.com. If Participant has any questions about any aspect of the Plan itself, please contact equityprograms@fb.com.

Argentina	<p>Type of Offering Neither the RSUs nor the underlying Shares are publicly offered or listed on any stock exchange in Argentina and as a result, have not been and will not be registered with the Argentine Securities Commission (<i>Comisión Nacional de Valores</i>).</p> <p>Exchange Control Notice Argentine currency exchange restrictions and reporting requirements may apply to the RSUs and any Shares acquired under the Plan; the relevant laws and regulations are subject to frequent change. <i>Participant should consult their personal legal advisor to ensure compliance with the applicable requirements.</i></p> <p>Foreign Asset/Account Reporting Notice If Participant holds Shares as of December 31 of any year, Participant is required to report the holding of the Shares on their personal tax return for the relevant year.</p>
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Australia	<p>Securities Law Notice This offer is being made under Division 1A, Part 7.12 of the Corporations Act. If Participant offers Shares for sale to a person or entity resident in Australia, Participant's offer may be subject to disclosure requirements under Australian law. <i>Participant should consult their personal legal advisor on Participant's obligations prior to making any such offer.</i></p> <p>Tax Information The Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) (the "Act") applies (subject to the conditions in that Act).</p>
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Belgium	<p>Foreign Asset / Account Reporting Notice If Participant is a resident of Belgium, Participant will be required to report any security (e.g., Shares acquired under the Plan) or bank account (including brokerage accounts) maintained outside of Belgium on Participant's annual tax return. The first time Participant reports a foreign security and/or bank account on Participant's annual tax return, in a separate report, Participant will be required to provide the National Bank of Belgium with details regarding such foreign accounts (including the account number, bank name and country in which any such account was opened). The form, as well as additional information on how to complete it, can be found on the website of the National Bank of Belgium, www.nbb.be, under the caption <i>Kredietcentrales / Centrales des crédits</i>.</p>
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Brazil**Compliance with Law**

In accepting the grant of this Award, Participant agrees to comply with applicable Brazilian laws and pay any and all Tax-Related Items.

Nature of Grant

This provision supplements Section 15 of the Agreement:

By accepting the RSUs, Participant agrees that (i) Participant is making an investment decision, (ii) the Shares will be issued to Participant only if the vesting conditions are met and any necessary services are rendered by Participant over the vesting period, and (iii) the value of the underlying Shares is not fixed and may increase or decrease over the vesting period without compensation to Participant.

Exchange Control Notice

If Participant is a resident of Brazil, Participant will be required to submit a declaration of assets and rights held outside of Brazil to the Central Bank of Brazil if the aggregate value of such assets and rights (including Shares, any capital gain, dividend or profit attributable to such assets) is equal to or greater than US\$1,000,000.

Bulgaria**Exchange Control Notice**

Participant may be required to file statistical forms with the Bulgarian National Bank regarding Participant's receivables in bank accounts abroad, as well as securities held abroad which have been acquired without using the services of a local broker (e.g., Shares acquired under the Plan), if the total sum of all such receivables and securities equals or exceeds certain threshold. *Participant should consult their personal legal advisor to ensure compliance with applicable requirements.*

Settlement

This provision supplements Section 1 of the Agreement:

Notwithstanding any discretion in the Plan, the Notice or the Agreement to the contrary, settlement of the RSUs shall be in Shares and not, in whole or in part, in the form of cash.

Termination

This provision replaces Section 5 of the Agreement:

If Participant's service Terminates for any reason, all unvested RSUs shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs shall immediately terminate. Despite any other definition of "Termination", "Terminated" or "Termination Date" in the Plan, the Notice or the Agreement, if Participant is an Employee of the Company or a Parent, Subsidiary or Affiliate, then Participant's service Terminates when Participant has ceased to provide services to his/her Employer, whether such cessation is initiated by Participant; by his/her Employer, with or without cause, and whether or not later found to be invalid or unlawful; by mutual agreement or by operation of law ("**Termination of Employment**").

For the avoidance of doubt, unless explicitly required by applicable legislation, the date on which a Termination of Employment occurs and all unvested RSUs are forfeited will not be extended by any period during which notice, pay in lieu of notice or related payments or damages are provided or required to be provided under local law (including, without limitation, statute, contract, regulatory law, and/or common or civil law). Participant will not earn or be entitled to any pro-rated vesting for that portion of time before the date on which a Termination of Employment occurs, nor will Participant be entitled to any compensation for lost vesting.

Notwithstanding the foregoing, if applicable employment standards legislation explicitly requires continued entitlement to vesting during a statutory notice period, Participant's right to vest in the RSUs under the Plan, if any, will terminate effective as of the last day of Participant's minimum statutory notice period. Participant will not earn or be entitled to pro-rated vesting if the vesting date falls after the end of Participant's statutory notice period, nor will Participant be entitled to any compensation for lost vesting.

Securities Law Notice

Participant is permitted to sell the Shares acquired under the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (e.g., the Nasdaq).

Foreign Asset / Account Reporting Notice

If Participant is a Canadian resident, Participant is required to report their foreign specified property (including Shares and rights to receive Shares such as RSUs) on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign specified property exceeds C\$100,000 at any time during the year. RSUs must be reported (generally at nil cost) if the C\$100,000 cost threshold is exceeded because of other foreign property Participant holds. When Shares are acquired, their cost generally is the adjusted cost base ("**ACB**") of the Shares which would ordinarily equal the fair market value of the Shares at the time of acquisition, but if other Shares are also owned, this ACB may have to be averaged with the ACB of the other Shares.

The following provisions apply to Participants who are residents of Quebec:

Data Privacy

The following provision supplements Section 9 of the Agreement:

Participant hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan for purposes that relate to the administration and operation of the Plan. Participant further authorizes the Company and any Parent, Subsidiary or Affiliate and the administrator of the Plan to disclose and discuss the Plan with their advisors. Participant further authorizes the Company and any Parent, Subsidiary or Affiliate to record such information and to keep such information in Participant's file. Additionally, Participant acknowledges and agrees that Participant's personal information, including any sensitive information, may be transferred or disclosed to parties outside of the province of Quebec, including to the United States. Finally, Participant acknowledges and authorizes the Company and other parties involved in the administration of the Plan to use technology for profiling purposes and to make automated decisions that may have an impact on Participant's participation in the Plan or the administration of the Plan.

French Language Documents

A French translation of this document and certain other documents related to the RSUs will be made available to Participant concurrently with this document. Participant understands that, from time to time, additional information related to the RSUs may be provided in English and such information may not be immediately available in French. However, upon request, the Company will provide a translation of such information into French as soon as reasonably practicable. Notwithstanding anything to the contrary in the Agreement, and unless Participant indicates otherwise, the French translation of this document and the Plan will govern Participant's participation in the Plan.

Documents en Langue Française

Une traduction française du présent document et de certains autres documents relatifs aux droits sur des actions assujettis à des restrictions (« RSUs ») sera mise à la disposition du Participant en même temps que le présent document. Le Participant comprend que, de temps à autre, des informations supplémentaires relatives aux RSUs peuvent être fournies en anglais et que ces informations peuvent ne pas être immédiatement disponibles en français. Toutefois, sur demande, la Société fournira une traduction de ces informations en français dès que cela sera raisonnablement possible. Nonobstant toute disposition contraire dans le Contrat, et à moins que le Participant n'indique le contraire, la traduction française du présent document et le Plan régira la participation du Participant au Plan.

China

If RSUs are granted to Participants in China, the following provisions apply to Participants who are or may become subject to exchange control restrictions in the People's Republic of China ("PRC"), including the requirements imposed by the State Administration of Foreign Exchange ("SAFE"), as determined by the Company in its sole discretion.

Vesting Schedule

This provision supplements the Vesting Schedule provision in the Notice:

Participant will not be permitted to vest in any Shares unless and until the necessary approvals for the Plan have been obtained from SAFE and remain in place, as determined by the Company in its sole discretion. Further, the Company is under no obligation to issue Shares if the Company has not obtained SAFE approval or if any such SAFE approval subsequently becomes invalid or ceases to be in effect by the time Participant would otherwise vest in the RSUs pursuant to the vesting schedule set forth in the Notice.

Settlement

This provision supplements the Section 1 of the Agreement:

To facilitate compliance with regulatory requirements in China, Participant understands and agrees that the Company may require any Shares acquired upon vesting of the RSUs be immediately sold at vesting or, at the Company's discretion, at a later time. Participant agrees that the Company is authorized to instruct the broker designated by the Company to assist with the sale of such Shares (on Participant's behalf pursuant to this authorization and without further consent) and Participant expressly authorizes the broker designated by the Company to complete the sale of such Shares. Participant acknowledges that the Company and the broker designated by the Company are under no obligation to arrange for the sale of the Shares at any particular price. Upon the sale of the Shares, the cash proceeds from the sale, less any brokerage fees or commissions, will be paid to Participant in accordance with applicable exchange control laws and regulations and provided any liability for Tax-Related Items resulting from participation in the Plan has been satisfied.

If the Company, in its discretion, does not exercise its right to require the sale of Shares immediately upon vesting, as described in the preceding paragraph, Participant understands and agrees that (a) the Shares must be held with the designated broker for the Plan and (b) the Company may require that any Shares Participant acquires under the Plan be sold no later than six (6) months after Participant's termination of employment, or within such other time frame as may be permitted by the Company or required by SAFE. Participant understands that any Shares Participant acquires under the Plan that have not been sold within six (6) months of Participant's termination of employment, or within such other time frame as may be permitted by the Company or required by SAFE, may be sold by the broker designated by the Company at the Company's direction, pursuant to this authorization by Participant without further consent.

Exchange Control Requirements

Participant understands and agrees that Participant will be required to immediately repatriate to China any cash proceeds from the sale of the Shares or any other funds Participant acquires under the Plan. Participant further understands that such repatriation of such funds will need to be effectuated through a special exchange control account established by the Company, the Employer or any other Affiliate or Subsidiary in China, and Participant hereby consents and agrees that funds resulting from participation in the Plan may be transferred to such special account prior to being delivered to Participant.

The sale proceeds (or other funds, including any Dividend Equivalents paid in cash) may be paid to Participant in U.S. dollars or local currency at the Company's discretion. In the event the funds are paid to Participant in U.S. dollars, Participant understands that Participant will be required to set up a U.S. dollar bank account in China and provide the bank account details to the Employer and/or the Company, so that the funds may be deposited into this account. If the funds are paid to Participant in local currency, Participant agrees to bear any currency fluctuation risk between the time the Shares are sold (or other funds are paid, including any Dividend Equivalents paid in cash) and the time the funds are distributed to Participant through any such special account.

Participant agrees to comply with any other requirements that may be imposed by the Company (or the Company's designated broker) to facilitate compliance with exchange control requirements in China.

If Participant transfers into China after the date of grant, the Company reserves the right to require that all unvested RSUs be forfeited to the Company with all rights of Participant to such RSUs immediately terminating prior to his/her transfer of employment or services.

If the Company does not require all unvested RSUs be forfeited upon transfer into China, and if Participant is subject to exchange control restrictions in the PRC, including the requirements imposed by the SAFE, as determined by the Company in its sole discretion, the above referenced terms and conditions will apply to any unvested RSUs and Shares held by such Participant.

Colombia**Nature of Grant**

This provision supplements Section 15 of the Agreement:

Participant acknowledges that pursuant to Article 128 of the Colombian Labor Code, the Plan and related benefits do not constitute a component of “salary” for any legal purpose.

Exchange Control Notice

Participant is responsible for complying with any and all Colombian foreign exchange requirements in connection with the RSUs, any Shares acquired and funds remitted into Colombia in connection with the Plan. This may include, among others, reporting obligations to the Central Bank (*Banco de la República*) and, in certain circumstances, repatriation requirements. *Participant is responsible for ensuring their compliance with any applicable requirements and should speak to their personal legal advisor on this matter.*

Foreign Asset / Account Reporting Notice

Participant must file an annual informative return with the Colombian Tax Office detailing any assets held abroad. If the individual value of any of these assets exceeds a certain threshold, Participant must describe each asset and indicate the jurisdiction in which it is located, its nature and its value.

Czech Republic**Exchange Control Notice**

Participant may be required to notify the Czech National Bank of Shares acquired under the Plan and/or of foreign accounts maintained by Participant. Such notification will be required if the aggregate value of Participant’s foreign direct investments is CZK 2,500,000 or more, Participant has a certain threshold of foreign financial assets, or Participant is specifically requested to do so by the Czech National Bank. *Participant should consult with their personal legal advisor regarding these or any other reporting requirements that may be applicable to Participant.*

Denmark**Employer Statement**

Participant acknowledges that they have received the attached Employer Statement, translated into Danish, which includes a description of the terms of the RSUs as required by the Danish Stock Option Act, to the extent that the Danish Stock Option Act applies to the RSUs.

SPECIAL NOTICE FOR EMPLOYEES IN DENMARK
EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations, as amended January 1, 2019 (the “*Stock Option Act*”), you are entitled to receive the following information regarding the restricted stock units granted to you by Meta Platforms, Inc. (the “*Company*”) under the Meta Platforms, Inc. 2012 Equity Incentive Plan (the “*Plan*”) in a written statement.

This statement contains information applicable to your participation in the Plan, as required under the Stock Option Act, while the other terms and conditions of your restricted stock units (“*RSUs*”) are described in detail in the Plan and the Restricted Stock Unit Award Agreement (the “*Agreement*”), both of which have been made available to you. Capitalized terms used but not defined herein shall have the same meanings given to them in the Plan or the Agreement, as applicable.

Section 1 of the Stock Option Act provides that the Stock Option Act only applies to employees. Employees are defined in section 2 of the Stock Option Act as persons who receive remuneration for their personal services in an employment relationship. Persons, including managers, who are not regarded as employees under the Stock Option Act, will not be subject to the Stock Option Act. If you are not an employee within the meaning of the Stock Option Act, the Company therefore has no obligation to issue an employer information statement to you and you will not be able to rely on this statement for legal purposes, since only the terms and conditions set out in the Plan apply.

1. Date of grant

The date of grant of your RSUs is the date that the Board or Committee that approved a grant for you determined it would be effective, which is set forth in the Notice.

2. Terms or conditions for RSU grant

The grant of RSUs under the Plan is made at the sole discretion of the Company. Employees, Non-Employee Directors and Consultants of the Company and its Affiliates, are eligible to receive grants under the Plan. The Board has broad discretion to determine who will receive RSUs and to set the terms and conditions of the RSUs. The Company may decide, in its sole discretion, not to make any grants of RSUs to you in the future. Under the terms of the Plan and the Agreement, you have no entitlement or claim to receive future grants of RSUs.

3. Vesting date or period

The RSUs will vest over a period of time (as set forth in the Agreement), subject to your continued employment through the applicable vesting date and other conditions set forth in the Plan and Agreement, and subject to Section 5 of this statement.

4. Exercise Price

No exercise price is payable upon the conversion of your RSUs into Shares in accordance with the vesting and settlement schedule described in the Agreement.

5. Your rights upon termination of employment

If your service Terminates for any reason, all unvested RSUs will be forfeited to the Company forthwith, and all rights to such RSUs shall immediately terminate. In case of any dispute as to whether Termination has occurred, the Company shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination for purposes of the Plan. For the avoidance of doubt, it is noted that, except as may be agreed to in the sole discretion of the Company, if you are Terminated by your Employer for any reason or if your Termination is due to your voluntary resignation, all unvested RSUs will be forfeited as of the date on which you are no longer actively providing services.

6. Financial aspects of participating in the Plan

The grant of RSUs has no immediate financial consequences for you. The value of the RSUs is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares of stock are financial instruments and investing in stock will always have financial risk. The future value of Company shares is unknown and cannot be predicted with certainty.

Meta Platforms, Inc.
1601 Willow Road
Menlo Park, CA 94025
U.S.A.

SÆRLIG MEDDELELSE TIL MEDARBEJDERE I DANMARK
ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold, som ændret 1. januar 2019, ("Aktieoptionsloven") er du berettiget til i en skriftlig erklæring at modtage følgende oplysninger om de betingede aktier (på engelsk: Restricted Stock Units), som du tildeles af Meta Platforms, Inc. ("Selskabet") i henhold til Meta Platforms, Inc. 2012 Equity Incentive Plan ("Planen").

Denne erklæring indeholder, i henhold til Aktieoptionsloven, de oplysninger, der er gældende for din deltagelse i Planen, mens de øvrige kriterier og betingelser for dine betingede aktier ("Betingede Aktier") er beskrevet nærmere i Planen og i Restricted Stock Unit Award Agreement ("Aftalen"), som begge er stillet til rådighed for dig. Begreber, der står med stort begyndelsesbogstav i denne arbejdsgivererklæring, men som ikke er defineret heri, har den betydning, der er defineret i Planen, hhv. Aftalen.

I henhold til Aktieoptionslovens § 1 finder loven kun anvendelse for lønmodtagere. Lønmodtagere er defineret i Aktieoptionslovens § 2 som personer, der modtager vederlag for personligt arbejde i tjenesteforhold. Personer, herunder direktører, som ikke anses for at være lønmodtagere i Aktieoptionslovens forstand, er ikke omfattet af Aktieoptionsloven. Hvis du ikke er lønmodtager i Aktieoptionslovens forstand, er Selskabet derfor ikke forpligtet til at udstede en arbejdsgivererklæring til dig, og du vil ikke i juridisk henseende kunne henholde dig til denne arbejdsgivererklæring, da alene Planens vilkår er gældende.

1. Tildelingstidspunkt

Tidspunktet for tildelingen af dine Betingede Aktier er den dag, hvor den Bestyrelse eller Komité, der godkendte din tildeling, besluttede, at den skulle træde i kraft. Tidspunktet fremgår af Meddelelsen.

2. Vilkår og betingelser for tildelingen af Betingede Aktier

Betingede Aktier, der er omfattet af Planen, tildeles udelukkende efter Selskabets skøn. Tildeling kan i henhold til Planen ske til Medarbejdere, Bestyrelsesmedlemmer og Konsulenter i Selskabet og dets Tilknyttede Selskaber. Bestyrelsen har vide beføjelser til at bestemme, hvem der skal modtage Betingede Aktier, og til at fastsætte betingelserne for de Betingede Aktier. Selskabet kan frit vælge fremover ikke at tildele dig Betingede Aktier. I henhold til bestemmelserne i Planen og Aftalen har du hverken ret til eller krav på fremover at få tildelt Betingede Aktier.

3. Modningstidspunkt eller -periode

De Betingede Aktier modnes over en periode (som anført i Aftalen), forudsat at du på det relevante modningstidspunkt opfylder betingelsen om fortsat ansættelse og de øvrige betingelser i Planen og i Aftalen, og med forbehold for pkt. 5 i denne erklæring.

4. Udnyttelseskurs

Ingen udnyttelseskurs skal betales i forbindelse med konvertering af dine Betingede Aktier til Aktier i overensstemmelse med den i Aftalen beskrevne modnings- og udnyttelsesplan.

5. Din retsstilling i forbindelse med fratræden

I tilfælde af dit ansættelsesforholds Ophør, uanset årsagen hertil, vil alle ikke-modnede Betingede Aktier straks tilfalde Selskabet, og alle rettigheder til sådanne Betingede Aktier vil bortfalde med omgående virkning. Såfremt der opstår uenighed om, hvorvidt der foreligger et Ophør, vil Selskabet være berettiget til efter eget skøn at afgøre, hvorvidt der foreligger et sådant Ophør, og fra hvilken dato et eventuelt Ophør er indtrådt. For god ordens skyld fremhæves det, at hvis dit ansættelsesforhold bringes til Ophør af din Arbejdsgiver, eller hvis dit ansættelsesforholds Ophør skyldes din egen opsigelse, vil alle ikke-modnede Betingede Aktier - medmindre Selskabet efter eget valg har accepteret andet - bortfalde med virkning fra den dato, hvor du ikke længere aktivt arbejder for din Arbejdsgiver.

6. Økonomiske aspekter ved deltagelse i Planen

Tildelingen af Betingede Aktier har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af de Betingede Aktier indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovbestemte, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Den fremtidige værdi af Selskabets aktier kendes ikke og kan ikke forudsiges med sikkerhed.

Meta Platforms, Inc.
1601 Willow Road
Menlo Park, CA 94025
U.S.A.

France**French Sub-Plan**

The RSUs are intended to qualify for specific treatment under French tax and social security laws and are subject to the provisions below and the Sub-Plan to the Meta Platforms, Inc. 2012 Equity Incentive Plan, Qualified Restricted Stock Units (FRANCE) (the “**French Sub-Plan**”), which has been provided to Participant and is incorporated herein. Capitalized terms below shall have the same definitions assigned to them under the French Sub-Plan and the Agreement.

Settlement

This provision supplements Section 1 of the Agreement:

Notwithstanding any discretion in the Plan, the Notice or the Agreement to the contrary, settlement of the RSUs shall be in Shares and not, in whole or in part, in the form of cash.

Any Dividends Equivalents paid will qualify as employment income subject to relevant withholding.

Termination

This provision supplements Section 5 of the Agreement:

Notwithstanding anything to the contrary stated herein, in the Notice, the Plan or the French Sub-Plan, death of a Participant’s will not cause such Participant’s unvested RSUs to be immediately forfeited to the Company. In the case of Participant’s death, if the Participant’s heir or heirs request the delivery of the Shares subject to the RSUs within a period of six (6) months following the Participant’s death, then the RSUs will be settled in Shares as soon as practicable following the request. If no such request is made within six (6) months following the Participant’s death, the RSUs will be forfeited.

Non-Transferability of RSUs

This provision replaces Section 4 of the Agreement:

RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of in any manner other than by will or by the laws of descent and, in any event, always in accordance with applicable laws.

Minimum Vesting Period

Notwithstanding anything to the contrary stated herein, in the Notice, the Plan or the French Sub-Plan, save in the case of death a Participant, RSUs will not vest nor be settled before the first (1st) annual anniversary of the Grant Date (as defined under the French Sub-Plan) or such other period as is required to comply with the minimum mandatory vesting period applicable to Shares underlying French-qualified Restricted Stock Units under Section L. 225-197-1 of the French Commercial Code, as amended, or by the French Tax Code or French Social Security Code, as amended.

Mandatory Holding Period

Notwithstanding anything to the contrary stated herein, in the Notice, the Plan or the French Sub-Plan, any Shares issued to Participant upon settlement of the RSUs must be held (and cannot be sold or transferred) until the expiration of a period which, together with the vesting period, can be no less than two years from the Grant Date, or such other period as is required to comply with the minimum mandatory holding period applicable to Shares underlying French-qualified Restricted Stock Units under Section L. 225-197-1 of the French Commercial Code, as amended, or by the French Tax Code or French Social Security Code, as amended; provided that if Participant dies or becomes Disabled, this mandatory holding period will not apply. In order to enforce this provision, the Company may, in its discretion, issue appropriate “stop transfer” instructions to its transfer agent or hold the Shares until the expiration of the holding period set forth above (such Shares may be held by the Company, a transfer agent designated by the Company or with a broker designated by the Company).

Closed Periods

Pursuant to article L 22-10-59 of the French *Code de commerce*, as amended from time to time, shares of a listed company cannot be sold or transferred during certain closed periods which are currently: (i) thirty calendar days before the announcement of an interim financial report or a year-end report which the Company is obliged to make public and (ii) with respect to such persons, any period during which the Chief Executive Officer (*directeur général*), any deputy chief executive officer (*directeur général délégué*), or any member of the Board of Directors (*conseil d'administration*), the supervisory board (*conseil de surveillance*) or the executive board (*directoire*) of the Company, or any employee possesses knowledge of inside information (within the meaning of Article 7 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (Market Abuse Regulation) and cancelling the Directive 2003/6/UE and Directives 2003/124/CE Parliament and 2004/72/CE of the Commission) which has not been disclosed to the public. If the French Commercial Code is amended after adoption of the French Sub-Plan to modify the definition and/or the applicability of the closed periods to RSUs, such amendments shall become applicable to any RSUs granted under the French Sub-Plan, to the extent required by French law. These rules will apply to Participant unless Participant is otherwise restricted from selling Shares received upon settlement of RSUs under similar rules applicable under U.S. law, in which case the U.S. rules shall prevail. In any event, Participant is at all times required to comply with the Meta Platforms, Inc. Insider Trading Policy as may be amended from time to time, which may be accessed at <https://our.internmc.facebook.com/intern/people/portal/at-work/policies-guidance/employee-handbook-policies/insider-trading-policy> and in particular Section II re No Trading on Material Non-Public Information, Black-Out Periods, and other important matters. Persons who violate these general rules and the Insider Trading Policy may be subject to legal and financial penalties. If Participant trades during any applicable Black-Out Period as described in the Insider Trading Policy, or if the French tax authorities deem that Participant has not complied with the French closed period restrictions and/or similar rules under applicable U.S. law, the RSUs and Shares received under the RSUs may lose Qualified status, and Participant will not receive preferential tax treatment.

Acknowledgment

This provision supplements Sections 15 and 17 of the Agreement:

The Company and Participant agree that the RSUs are granted under and governed by the Notice, this Agreement (including the France section of the Jurisdiction-Specific Addendum), the provisions of the Plan and the French Sub-Plan. Participant: (i) acknowledges receipt of a copy of the Plan and the Plan prospectus and the French Sub-Plan, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan, the French Sub-Plan, the Notice, and the Agreement.

Language Consent

By accepting the RSUs, Participant confirms they have read and understood the Plan and the French Sub-Plan and the Agreement, including all the terms and conditions set forth therein, which were provided in the English language. Participant accepts the terms of those documents accordingly.

Consentement Relatif à la Langue Utilisée

En acceptant cette attribution gratuite d'actions, le Participant confirme avoir lu et compris le Plan, le Sous-Plan Français et le présent Contrat, incluant tous leurs termes et conditions, qui ont été transmis en langue anglaise. Le Participant accepte les termes de ces documents en connaissance de cause.

Foreign Asset/Account Reporting Notice

If Participant is a French resident and holds Shares outside of France or maintain a foreign bank account, Participant is required to declare all foreign securities, bank, and brokerage accounts, whether open, current, or closed during the tax year, in Participant's annual income tax return. Failure to comply could trigger significant penalties.

Germany	<p>Exchange Control Notice</p> <p>Cross-border payments in excess of €12,500 must be reported to the German Federal Bank (Bundesbank). If Participant makes or receives a payment in excess of this amount (including if the Participant acquires Shares with a value in excess of this amount under the Plan or sell Shares via a foreign broker, bank or service provider and receive proceeds in excess of this amount or if Participant receives Dividend Equivalents) and/or if the value of the Shares withheld or sold by the Company on Participant's behalf to satisfy any Tax-Related Items, Participant must report the payment and/or the value of the Shares withheld or sold to Bundesbank, either electronically using the "General Statistics Reporting Portal" ("<i>Allgemeines Meldeportal Statistik</i>") available on the Bundesbank website (www.bundesbank.de) or via such other method (e.g., by email or telephone) as is permitted or required by Bundesbank. The report must be submitted monthly or within other such timing as is permitted or required by Bundesbank.</p> <p>Foreign Asset/Account Reporting Notice</p> <p>German residents holding Shares must notify their local tax office of the acquisition of Common Stock when they file their tax returns for the relevant year if (i) the value of the Shares for all Common Stock acquired exceeds €150,000 and Participant owns 1% or more of the total Shares of the Company, or (ii) in the unlikely event that the resident holds Common Stock exceeding 10% of the Company's total Common Stock.</p>
Greece	There are no jurisdiction-specific provisions.
Hong Kong	<p>Settlement</p> <p>This provision supplements Section 1 of the Agreement:</p> <p>Any Shares received at settlement of RSUs are a personal investment. If, for any reason, the RSUs vest and become non-forfeitable and Shares are issued to Participant within six months of the date of grant, Participant agrees that they will not offer the Shares to the public in Hong Kong or otherwise dispose of the Shares prior to the six-month anniversary of the date of grant.</p> <p>Securities Law Notice</p> <p>The RSUs and any Shares issued upon settlement of the RSUs do not constitute a public offering of securities under Hong Kong law and are available only to employees of the Company or a Parent, Subsidiary or Affiliate of the Company. The Plan, the Agreement, including this Addendum, and other incidental communication materials have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under the applicable companies and securities legislation in Hong Kong and have not been registered with or authorized by any regulatory authority, including the Securities and Future Commission, in Hong Kong. This Agreement and the incidental communication materials are intended only for the personal use of each eligible Participant and not for distribution to any other persons. If Participant has any questions about any of the contents of this Agreement or the Plan or other incidental communication materials, Participant should obtain independent professional advice.</p>
India	<p>Exchange Control Notice</p> <p>Participant must comply with any and all applicable exchange control laws in India. Without limitation to the foregoing, Participant must repatriate any funds recognized in connection with the RSUs, including any Dividend Equivalents paid in cash, to India within such time as prescribed under applicable Indian exchange control laws as amended from time to time. Participant will receive a foreign inward remittance certificate ("<i>FIRC</i>") from the bank where Participant deposits the foreign currency. Participant should retain the FIRC as evidence of the repatriation of funds in the event the Reserve Bank of India or the Company or the Employer requests proof of repatriation. Participant agrees to provide any information that may be required by the Company or the Employer to make any applicable filings under exchange control laws in India.</p> <p>Foreign Asset/Account Reporting Notice</p> <p>Participant is required to declare their foreign bank accounts and any foreign financial assets (including Shares held outside India) in their annual tax return.</p>

Indonesia

Language Consent and Notification

By accepting the RSUs, Participant (i) confirms having read and understood the documents relating to this grant (i.e., the Notice, the Plan and the Agreement) which were provided in the English language, (ii) accepts the terms of those documents accordingly, and (iii) agrees not to challenge the validity of this document based on Law No. 24 of 2009 on National Flag, Language, Coat of Arms and National Anthem or the implementing Presidential Regulation (when issued).

Persetujuan dan Pemberitahuan Bahasa

Dengan menerima pemberian Unit Saham Terbatas (RSUs) ini, Peserta (i) memberikan konfirmasi bahwa dirinya telah membaca dan memahami dokumen-dokumen berkaitan dengan pemberian ini (yaitu, Pemberitahuan Pemberian, Perjanjian Penghargaan dan Program) yang disediakan dalam Bahasa Inggris, (ii) menerima persyaratan di dalam dokumen-dokumen tersebut, dan (iii) setuju untuk tidak mengajukan keberatan atas keberlakuan dari dokumen ini berdasarkan Undang-Undang No. 24 Tahun 2009 tentang Bendera, Bahasa dan Lambang Negara serta Lagu Kebangsaan ataupun Peraturan Presiden sebagai pelaksanaannya (ketika diterbitkan)

Exchange Control Notice

If Participant remits funds (including proceeds from the sale of Shares) into Indonesia, the Indonesian bank through which the transaction is made will submit a report of the transaction to Bank Indonesia for statistical reporting purposes. For transactions in excess of a certain threshold, a more detailed description of the transaction must be included in the report and Participant may be required to provide information about the transaction (e.g., Participant's relationship with the transferor of the funds, the source of the funds, etc.) to the bank in order for the bank to complete the report. In addition, Participant may be required to provide the Bank Indonesia with information on foreign exchange activities, which may include Shares held outside Indonesia, on a monthly basis. The reporting should be completed online through Bank Indonesia's website, by no later than the 15th day of the following month.

Ireland

Director Reporting Requirement Notice

If Participant is a director, shadow director or secretary of an Irish Parent, Subsidiary or Affiliate of the Company (an “*Irish Entity*”) and Participant's interest in the Company represents more than 1% of the Company's voting share capital, Participant is subject to certain notification requirements under Section 53 of the Companies Act, 1990. Among these requirements is Participant's obligation to notify the Irish Entity in writing when Participant receives an interest (e.g., RSUs, Shares) in the Company and advise the Irish Entity of the number and class of shares or rights to which the interest relates. This notification requirement also applies to any rights acquired by Participant's spouse or minor children (under the age of 18). *Participant should consult their personal legal advisor to ensure compliance with the applicable requirements.*

Israel

Sub-Plan for Israeli Participants

The RSUs are granted under the Sub-Plan for Israeli Participants (the “Israeli Sub-Plan”), which is considered part of the Plan. The terms used herein shall have the meaning ascribed to them in the Plan or Israeli Sub-Plan. In the event of any conflict, whether explicit or implied, between the provision of this Agreement and the Israeli Sub-Plan, the provisions set out in the Israeli Sub-Plan shall prevail. By accepting this grant, Participant acknowledges that a copy of the Israeli Sub-Plan has been provided to Participant. The Israeli Sub-Plan may also be obtained by contacting peeps@fb.com.

Acknowledgment

This provision supplements Sections 15 and 17 of the Agreement:

Participant also (i) declares that she/he is familiar with Section 102 and the regulations and rules promulgated thereunder, including without limitations the provisions of the tax route applicable to the RSUs, and agrees to comply with such provisions, as amended from time to time, provided that if such terms are not met, Section 102 may not apply, and (ii) agrees to the terms and conditions of the trust deed signed between the Trustee and the Company and/or the applicable Subsidiary, which is available for the Participant’s review, during normal working hours, at Company’s offices, (iii) acknowledges that releasing the RSUs and Shares from the control of the Trustee prior to the termination of the Holding Period constitutes a violation of the terms of Section 102 and agrees to bear the relevant sanctions, (iv) authorizes the Company and/or the applicable Subsidiary to provide the Trustee with any information required for the purpose of administering the Plan including executing its obligations under the Ordinance, the trust deed and the trust agreement, including without limitation information about his/her RSUs, Shares, income tax rates, salary bank account, contact details and identification number, (v) declares that he/she is a resident of the State of Israel for tax purposes on the grant date and agrees to notify the Company upon any change in the residence address indicated above and acknowledges that if his/her engagement with the Company or Subsidiary is terminated and he/she is no longer employed by the Company or any Subsidiary, the RSUs and Shares shall remain subject to Section 102, the trust agreement, the Plan and this Agreement; (vi) understands and agrees that if he/she ceases to be employed or engaged by an Israeli resident Subsidiary but remains employed by the Company or any Parent, Subsidiary or Affiliate thereof, all unvested RSUs shall be forfeited to the Company with all rights of the Participant to such RSUs immediately terminating prior to his/her termination of employment or services, and any Shares already issued upon the previous vesting of RSUs shall remain subject to Section 102, the trust agreement, the Plan and this Agreement; (vii) warrants and undertakes that at the time of grant of the RSUs herein, or as a consequence of the grant, the Participant is not and will not become a holder of a “controlling interest” in the Company, as such term is defined in Section 32(9) of the Ordinance, and (viii) the grant of RSUs is conditioned upon the Participant signing all documents requested by the Company or the Trustee.

Section 102 Capital Gains Trustee Route

The RSUs are intended to be subject to the Capital Gains Route under Section 102 of the Ordinance, subject to Participant consenting to the requirements of such tax route by accepting the terms of this agreement and the grant of RSUs, and subject further to the compliance with all the terms and conditions of such tax route. Under the Capital Gains Route tax is only due upon sale of the Shares or upon release of the Shares from the holding or control of the Trustee.

Trustee Arrangement

The RSUs, the Shares issued upon vesting and/or any additional rights, including without limitation any right to receive any dividends or any shares received as a result of an adjustment made under the Plan that may be granted in connection with the RSUs (the “**Additional Rights**”), shall be issued to or controlled by the Trustee for the benefit of the Participant under the provisions of the 102 Capital Gains Route and will be controlled by the Trustee for at least the period stated in Section 102 of the Ordinance and the Income Tax Rules (Tax Benefits in Share Issuance to Employees) 5763-2003 (the “**Rules**”). In the event the RSUs do not meet the requirements of Section 102 of the Ordinance, such RSUs and the underlying Shares shall not qualify for the favorable tax treatment under Section 102 of the Ordinance. The Company makes no representations or guarantees that the RSUs will qualify for favorable tax treatment and will not be liable or responsible if favorable tax treatment is not available under Section 102 of the Ordinance. Any fees associated with any exercise, sale, transfer or any act in relation to the RSUs shall be borne by the Participant and the Trustee and/or the Company and/or any Subsidiary shall be entitled to withhold or deduct such fees from payments otherwise due to Participant from the Company or a Subsidiary or the Trustee. In the event there is any delay in delivering the proceeds from the sale of Shares or any other funds related to participation in the Plan, neither the Company, the Trustee nor any Subsidiary is responsible for any foreign exchange rate fluctuations that may affect any amounts deliverable to the Participant.

Any Dividends Equivalents paid in cash will be treated as a cash bonus for tax purposes.

Restrictions on Sale

In accordance with the requirements of Section 102 of the Ordinance and the Capital Gains Route, Participant shall not sell nor transfer the Shares or Additional Rights from the Trustee until the end of the required Holding Period. Notwithstanding the above, if any such sale or transfer occurs before the end of the required Holding Period, the sanctions under Section 102 shall apply to and shall be borne by Participant.

Taxes

This provision supplements Section 6 of the Agreement and the Taxes provision in the “All Non-U.S. Jurisdictions” section of this Addendum:

The RSUs are intended to be taxed in accordance with Section 102, subject to full and complete compliance with the terms of Section 102. Participants with dual residency for tax purposes may be subject to taxation in several jurisdictions.

Any Tax imposed in respect of the RSUs and/or Shares, including, but not limited to, the grant of RSUs, and/or the vesting, transfer, waiver, or expiration of RSUs and/or Shares, and/or the sale of Shares, shall be borne solely by Participant, and in the event of death, by Participant's heirs. The Company, any Subsidiary, the Trustee or anyone on their behalf shall not be required to bear the aforementioned Taxes, directly or indirectly, nor shall they be required to gross up such Tax in Participant's salaries or remuneration. The applicable Tax shall be withheld from the proceeds of sale of Shares or shall be paid to the Company or a Subsidiary or the Trustee by Participant. Without derogating from the aforementioned, the Company or a Subsidiary or the Trustee shall be entitled to withhold Taxes as it deems compliant with applicable law and to deduct any Taxes from payments otherwise due to Participant from the Company or a Subsidiary or the Trustee. The ramifications of any future modification of applicable law regarding the taxation of the RSUs granted to Participant shall apply to Participant accordingly and Participant shall bear the full cost thereof, unless such modified laws expressly provide otherwise.

The issuance of the Shares upon the vesting of RSUs or in respect thereto, shall be subject to the full payments of any Tax (if applicable).

Securities Law Notice

An exemption from filing a prospectus with relation to the Plan has been granted to the Company by the Israeli Securities Authority. Copies of the Plan and the Form S-8 registration statement for the Plan filed with the U.S. Securities and Exchange Commission will be made available by request from peeps@fb.com.

Italy

Acknowledgment of Certain Provisions

This provision supplements Sections 15 and 17 of the Agreement:

In accepting the RSUs, Participant acknowledges that they have read and specifically and expressly approves the following provisions in the Agreement: Section 5: Termination; Section 6: Withholding Taxes, as supplemented by the Taxes provision in the “All Non-U.S. Jurisdictions” section of this Addendum; Section 11: Compliance with Laws and Regulations; Section 11: Jurisdiction-Specific Addendum and Additional Requirements; Section 13: Governing Law; Choice of Venue; Section 15: Nature of Grant; and Section 17: Acknowledgment and Acceptance.

Foreign Asset/Account Reporting Notice

Italian residents who, at any time during the fiscal year, hold foreign financial assets (including cash and Shares) that may generate income taxable in Italy are required to report these assets on their annual tax returns (UNICO Form, RW Schedule) for the year during which the assets are held, or on a special form if no tax is due. These reporting obligations will also apply to Italian residents who are the beneficial owners of foreign financial assets under Italian money laundering provisions.

Japan**Exchange Control Notice**

If Participant acquires Shares valued at more than ¥100,000,000 million in a single transaction, Participant must file a Securities Acquisition Report with the Ministry of Finance through the Bank of Japan within 20 days after the acquisition of the Shares.

Foreign Asset/Account Reporting Notice

Participant is required to report details of any assets held outside of Japan as of December 31, including shares of Common Stock acquired under the Plan, to the extent such assets have a total net fair market value exceeding ¥50,000,000.

Kenya

There are no jurisdiction-specific provisions.

Korea**Exchange Control Notice**

Currently, Korean residents may not be permitted to sell foreign securities (such as the Shares) through non-Korean brokers (such as Charles Schwab) or deposit funds resulting from the sale of Shares in an overseas financial institution. Therefore, prior to selling the Shares acquired under the Plan, Participant may be required to transfer the Shares to a domestic investment broker. Participant is solely responsible for engaging such domestic broker. *Because the exchange control regulations may change without notice, Participant should consult with a personal legal advisor to ensure compliance with any exchange control regulations applicable to any aspect of their participation in the Plan.*

Foreign Asset/Account Reporting Notice

Participant must declare all of their foreign financial accounts (*i.e.*, non-Korean bank accounts, brokerage accounts, etc.) to the Korean tax authorities and file a report with respect to such accounts if the value of such accounts exceeds a certain threshold (currently, KRW 500 million (or an equivalent amount in foreign currency)) on any month-end date during the year.

Luxembourg

The following provisions apply only to Participants who qualify, within the meaning of the remuneration policy of Novi Financial Luxembourg S.A. (“**Novi Lux**”) – hereinafter the “**Remuneration Policy**” – as:

- “**Identified Staff**” in accordance with section 1.2 of the Circular CSSF 10/437 re guidelines concerning the remuneration policies in the financial sector published by the CSSF on 1 February 2010 (the “**CSSF Circular 10/437**”); and/or
- “**Relevant Persons**” in accordance with the European Banking Authority Guidelines 2016/06 on remuneration policies and practices related to the sale and provision of retail banking products and services (the “**EBA Guidelines 2016/06**”).

Malus and Clawback

As RSUs qualify as Variable Remuneration under the Remuneration Policy, they are subject to malus and clawback provisions (as set out under sections 4.2 “*Deferral of Variable Remuneration*” and 4.5 “*Clawback*” of said Remuneration Policy) as follows:

- “**Malus**”: For the phased/deferred vesting of RSUs, the malus provision means that the portions of the RSUs that remain unvested are subject to ex post risk assessment with a possibility to reduce or cancel the unvested portion in the event risks materialize and/or it turns out that performance had initially been assessed incorrectly as determined by the board of directors of Novi Lux (the “**Board of Directors of Novi Lux**”) (“**Malus Triggers**”);
- “**Clawback**”: For RSUs that have been settled, the clawback provision means that the Board of Directors of Novi Lux reserves the right to demand that Participants return the cash equivalent of all or part of the settled RSUs, if the initial grant had been made for performance on the basis of information which has since proven to be fraudulent (“**Clawback Triggers**”). The clawback provision can be applied for a period of three years after the settlement of RSUs.

In this regard, and as a minimum (this list is not intended to be exhaustive), for the Participants who would (only or also) qualify as Identified Staff under the terms of the Remuneration Policy, the Board of Directors of Novi Lux may consider the following elements as Malus and/or Clawback Triggers:

1. There is evidence of misbehaviour or serious error by the Participant, e.g.:
 - 1.1. by breach of
 - i. Novi Lux’s internal rules and procedure; and/or
 - ii. Novi Lux’s control systems and mechanisms; and/or
 - iii. standards governing clients and investor relations; and/or
 - iv. the Participant’s employment contract.
 - 1.2. serious error that the Board of Directors of Novi Lux considers to be the result of the Participant’s negligent conduct or omission;
2. Novi Lux, the Company or any Parent, Subsidiary or Affiliate of the Company or any relevant business unit of any of the foregoing suffers a significant downturn in its financial performance. In such case, the Board of Directors of Novi Lux may consider the situation as a Malus and/or Clawback Trigger, particularly if such consideration is deemed:
 - 2.1. appropriate in view of the overall financial situation; and/or
 - 2.2. justified on the basis of the performance of the Participant.
3. Novi Lux suffers a significant failure of risk management for which the Participant has significant responsibility.

In addition, the Board of Directors of Novi Lux may consider the application of the clawback provision to RSUs where, in the opinion of the Board of Directors of Novi Lux:

1. There is evidence of fraud by the Participant within the meaning of applicable criminal law; and/or
 2. There is evidence of breach by the Participant of the Circular CSSF 10/437, especially where the breach by the Participant significantly contributed to a regulatory sanction.
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Furthermore, for the Participants who would (only or also) qualify as a Relevant Person under the terms of the Remuneration Policy, the Board of Directors of Novi Lux may also consider the following elements (this list is not intended to be exhaustive) as Malus and/or Clawback Triggers if there is evidence of breach by the Participant of:

1. Novi Lux's internal policies protecting the consumer interest; and/or
 2. the EBA Guidelines 2016/06, especially where the breach by the Participant significantly contributed to a regulatory sanction.
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Malaysia

Securities Law Notice

The grant of the RSUs in Malaysia constitutes or relates to an 'excluded offer,' 'excluded invitation,' or 'excluded issue' pursuant to Section 229 and Section 230 of the Capital Markets and Services Act ("**CMSA**"), and as a consequence no prospectus is required to be registered with the Securities Commission of Malaysia. The RSU documents do not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Securities Commission in Malaysia under the CMSA.

Director Reporting Requirement Notice

If Participant is a director of a Malaysian Parent, Subsidiary or Affiliate (a "**Malaysian Entity**"), Participant is subject to certain notification requirements under the Malaysian Companies Act, 1965. Among these requirements is an obligation to notify the Malaysian Entity in writing when Participant receives an interest (e.g., RSUs, Shares, etc.) in the Company or any of its related companies. In addition, Participant must notify the Malaysian Entity when Participant sells Shares of the Company or any of its related companies (including when Participant sells Shares acquired upon vesting and settlement of the RSUs). Additionally, Participant must also notify the Malaysian Entity if there are any subsequent changes in their interest in the Company or any related companies. These notifications must be made within fourteen (14) days of acquiring or disposing of any interest in the Company or any of its related companies.

Mexico

Securities Law Notice

Any RSUs offered under the Plan and the Shares underlying the RSUs have not been registered with the National Register of Securities maintained by the Mexican National Banking and Securities Commission and cannot be offered or sold publicly in Mexico. In addition, the Plan and any other document relating to any RSUs may not be publicly distributed in Mexico. These materials are addressed to Participant only because of their existing relationship with the Company and its related companies and these materials should not be reproduced or copied in any form. The offer contained in these materials does not constitute a public offering of securities but rather constitutes a private placement of securities addressed specifically to individuals who are present employees of the Company or one of its related companies, made in accordance with the provisions of the Mexican Securities Market Law, and any rights under such offering shall not be assigned or transferred.

Labor Law Policy and Acknowledgment

By accepting the RSUs, Participant expressly recognizes that Meta Platforms, Inc., with registered offices at 1601 Willow Road, Menlo Park, California 94025, U.S.A., is solely responsible for the administration of the Plan and that Participant's participation in the Plan and acquisition of Shares do not constitute an employment relationship between Participant and the Company since Participant is participating in the Plan on a wholly commercial basis and Participant's sole Employer is Facebook Mexico S De RL De CV. Based on the foregoing, Participant expressly recognizes that the Plan and the benefits that Participant may derive from Participant's participation in the Plan do not establish any rights between Participant and Participant's Employer, and do not form part of the employment conditions and/or benefits provided by Participant's Employer and any modification of the Plan or its termination shall not constitute a change or impairment of the terms and conditions of Participant's employment.

Participant further understands that Participant's participation in the Plan is a result of a unilateral and discretionary decision of the Company; therefore, the Company reserves the absolute right to amend and/or discontinue Participant's participation at any time without any liability to Participant.

Finally, Participant hereby declares that Participant does not reserve any action or right to bring any claim against the Company for any compensation or damages regarding any provision of the Plan or the benefits derived under the Plan, and Participant therefore grants a full and broad release to the Company, its Affiliates, branches, representation offices, its shareholders, officers, agents or legal representatives with respect to any claim that may arise.

Plan Document Acknowledgment

By accepting the RSUs, Participant acknowledges that they have received a copy of the Plan, has reviewed the Plan and the Agreement in their entirety and fully understands and accepts all provisions of the Plan and the Agreement. In addition, by accepting the RSUs, Participant acknowledges that they have read and specifically and expressly approves the terms and conditions in Section 15 of the Agreement ("**Nature of Grant**"), in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) neither the Company, the Employer nor any Affiliate is responsible for any decrease in the value of the Shares underlying the RSUs.

Política de la Ley Laboral y Reconocimiento

Al aceptar las Unidades de Acciones Restringidas (RSU), el Participante reconoce expresamente que Meta Platforms, Inc., con oficinas registradas ubicadas a 1601 Willow Road, Menlo Park, California 94025, U.S.A., es el único responsable de la administración del Plan y que participación del Participante en el mismo y la adquisición de Acciones no constituye de ninguna manera una relación laboral entre el Participante y la Compañía, debido a que la participación de esa persona en el Plan deriva únicamente de una relación comercial y el único Patrón del participante es Facebook Mexico S De RL De CV. Derivado de lo anterior, el Participante reconoce expresamente que el Plan y los beneficios que pudieran derivar para el Participante por su participación en el mismo, no establecen ningún derecho entre el Participante e Patrón del participante, y no forman parte de las condiciones laborales y/o prestaciones otorgadas por Patrón del participante, y cualquier modificación al Plan o la terminación del mismo de ninguna manera podrá ser interpretada como una modificación o desmejora de los términos y condiciones de trabajo del Participante.

Asimismo, el Participante reconoce que su participación en el Plan es resultado de la decisión unilateral y discrecional de la Compañía, por lo tanto, la Compañía se reserva el derecho absoluto para modificar y/o discontinuar la participación del Participante en cualquier momento, sin ninguna responsabilidad hacia el Participante.

Finalmente el Participante manifiesta que no se reserva ninguna acción o derecho que ejercitar en contra de la Compañía, por cualquier compensación o daños o perjuicios en relación con cualquier disposición del Plan o de los beneficios derivados del mismo, y en consecuencia exime amplia y completamente a la Compañía, sus Afiliadas, sucursales, oficinas de representación, sus accionistas, administradores, agentes y representantes legales con respecto a cualquier reclamo que pudiera surgir.

Reconocimiento de Documentos del Plan

Al aceptar las Unidades de Acciones Restringidas (RSU), el Participante reconoce que ha recibido una copia del Plan, que ha revisado el Plan y el Acuerdo de Concesión en su totalidad y entiende y acepta los términos del Plan y del Acuerdo de Concesión. Adicionalmente, al aceptar los RSU, el Participante reconoce que ha leído y especifica y expresamente aprueba los términos y condiciones del Sección 15 del Acuerdo de Concesión (denominado "Naturaleza de la Concesión"), donde claramente se establece que (i) la participación en el Plan no constituye un derecho adquirido, (ii) el Plan y la participación en el Plan es ofrecido por la Compañía en forma totalmente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) ni la Compañía ni el Patrón ni su Afiliada es responsable por el decremento en el valor de las acciones de los RSU.

Netherlands	There are no jurisdiction-specific provisions.
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New Zealand	Securities Law Notice
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WARNING: This is an offer of RSUs over Shares which, once vested and settled in accordance with the terms of the Agreement and the Plan, will give Participant a stake in the ownership of the Company. Participant may receive a return if dividends are paid. If the Company runs into financial difficulties and is wound up, Participant will only be paid after all creditors have been paid. Participant may lose some or all of their investment.

New Zealand law normally requires people who offer financial products to give information to investors before they invest. This information is designed to help investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee share purchase scheme. As a result, Participant may not be given all the information usually required. Participant will also have fewer other legal protections for this investment. Ask questions, read all documents carefully, and seek independent financial advice before committing.

The Shares are quoted on the Nasdaq. This means Participant may be able to sell them on the Nasdaq if there are interested buyers. Participant may get less than they invested. The price will depend on the demand for the Shares.

For information on risk factors impacting the Company's business that may affect the value of the Shares, Participant should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov, as well as on the Company's "Investor Relations" website at <https://investor.fb.com/>.

Nigeria	There are no jurisdiction-specific provisions.
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Norway	There are no jurisdiction-specific provisions.
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Philippines

Vesting Schedule

This provision supplements the Vesting Schedule provision in the Notice:

The offering of the Plan and the grant of RSUs is subject to the satisfaction of the conditions for an exemption from the securities registration requirements, including receiving confirmation from the Philippine Securities and Exchange Commission ("**PSEC**") that the offer of the Plan and the grant of RSUs is exempt from such requirements. Participant will not be permitted to vest in any Shares unless and until the conditions for an exemption from the securities registration requirements have been met and continue to be met, as determined by the Company in its sole discretion. Further, the Company is under no obligation to issue Shares if the Company determines that the conditions for an exemption from the securities registration requirements are not met or if any confirmation from the PSEC that the offer of the Plan and the grant of RSUs is exempt from such requirements subsequently becomes invalid or ceases to be in effect by the time Participant would otherwise vest in the RSUs pursuant to the vesting schedule set forth in the Notice.

Securities Law Notice

Participant should be aware of the risks of participating in the Plan, which include (without limitation) the risk of fluctuation in the price of the Shares on the Nasdaq and the risk of currency fluctuations between the U.S. Dollar and Participant's local currency. In this regard, Participant should note that the value of any Shares Participant may acquire under the Plan may decrease, and fluctuations in foreign exchange rates between Participant's local currency and the U.S. Dollar may affect the value of the RSUs or any amounts due to Participant upon vesting and settlement of the RSUs or upon sale of any Shares Participant acquires under the Plan. The Company is not making any representations, projections or assurances about the value of the Shares now or in the future.

For further information on risk factors impacting the Company's business that may affect the value of the Shares, Participant should refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities and Exchange Commission and are available online at www.sec.gov/, as well as on the Company's "Investor Relations" website at <https://investor.fb.com/>.

Participant is permitted to sell the Shares acquired under the Plan through the designated broker appointed under the Plan (or such other broker to whom Participant transfers the Shares), provided the resale of Shares acquired under the Plan takes place outside of the Philippines through the facilities of a stock exchange on which the Shares are listed (e.g., the Nasdaq).

Poland

Exchange Control Notice

If Participant maintains bank or brokerage accounts holding cash and foreign securities (including Shares) outside of Poland, Participant will be required to report information to the National Bank of Poland on transactions and balances in such accounts if the value of such cash and securities exceeds PLN 7 million. If required, such reports must be filed on special forms available on the website of the National Bank of Poland. In addition, any transfer of funds in excess of EUR 15,000 into or out of Poland must be effected through a bank account in Poland. Lastly, Participant is required to store all documents connected with any foreign exchange transactions that Participant engages in for a period of five years, as measured from the end of the year in which such transaction occurred.

Senegal

There are no jurisdiction-specific provisions.

Singapore

Securities Law Notice

The grant of the RSUs is being made pursuant to the “Qualifying Person” exemption” under section 273(1)(f) of the Securities and Futures Act (Chapter 289, 2006 Ed.) (“**SFA**”) and is not made with a view to the Shares being subsequently offered for sale to any other party. The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The RSUs are subject to section 257 of the SFA and Participant will not be able to make (i) any subsequent sale of the Shares in Singapore or (ii) any offer of such subsequent sale of the Shares subject to the RSUs in Singapore, unless such sale or offer is made (a) more than six months after the date of grant or (b) pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA (Chapter 289, 2006 Ed.).

CEO and Director Reporting Requirement Notice

If Participant is a director, associate director or shadow director of a Singaporean Parent, Subsidiary or Affiliate (a “**Singaporean Entity**”), Participant is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Entity in writing when Participant receives or dispose of an interest (e.g., RSUs, Shares) in the Company or any related companies. These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of Participant’s interests in the Company or any related company within two business days of becoming a director, associate director or shadow director. If Participant is the Chief Executive Officer (“**CEO**”) of a Singaporean Entity and it is determined that these requirements apply, Participant is responsible for complying with such reporting requirements.

Exit Tax / Deemed Vesting Rule

If Participant is (a) neither a Singapore citizen nor a Singapore permanent resident, and Participant (i) intends to leave Singapore for any period exceeding three months, (ii) will be posted overseas on a secondment, or (iii) are about to cease employment with the Singaporean Entity with which Participant was employed at the time of grant, regardless of whether Participant intends to remain in Singapore, or (b) a Singapore permanent resident, and Participant (i) intends to leave Singapore for any period exceeding three months, (ii) will be posted overseas on a secondment or (iii) are about to cease employment with the Singaporean Entity with which Participant was employed at the time of grant and intend to leave Singapore on a permanent basis, Participant may be subject to an exit tax upon their departure from Singapore or cessation of employment, as applicable. In such case, Participant will be taxed on their Award on a “deemed vesting” basis, i.e., Participant will be deemed to have vested in their RSUs on the later of (A) one month before the date Participant departs Singapore or cease employment, or (B) the date on which Participant’s RSUs were granted. If Participant is subject to the exit tax, Participant acknowledges and agrees that the Employer will report details of Participant’s departure from Singapore or cessation of employment to the Inland Revenue Authority of Singapore and will withhold any income payable to Participant for a period of up to 30 days. *Participant should consult with a personal tax advisor in the event Participant may be subject to these exit tax rules.*

South Africa

Taxes

This provision supplements Section 6 of the Agreement and the Taxes provision in the "All Non-U.S. Jurisdictions" section of this Addendum:

By accepting the RSUs, Participant agrees that, immediately upon vesting of the RSUs, Participant will notify the Employer of the amount of any gain realized. If Participant fails to advise the Employer of the gain realized upon vesting, Participant may be liable for a fine. Participant will be solely responsible for paying any difference between the actual tax liability and the amount withheld by the Employer.

Securities Law Notice

In compliance with South African securities law, the documents listed below are available for review at the addresses listed below:

- The Company's most recent annual financial statement:
<https://investor.fb.com/>.
- The Company's most recent Plan prospectus:
<http://www.schwab.com/meta>

A hard copy of the above documents will be sent to Participant free of charge upon written request to: peeps@fb.com.

Exchange Control Notice

Participant is solely responsible for complying with applicable South African exchange control regulations. Since the exchange control laws change frequently and without notice, *Participant should consult their personal legal advisor prior to the acquisition or sale of Shares acquired under the Plan to ensure Participant's compliance with current regulations.*

Nature of Grant

This provision supplements Section 15 of the Agreement:

Participant understands that the Company has unilaterally, gratuitously and discretionally decided to grant RSUs to individuals who may be employees of the Company or a Parent, Subsidiary or Affiliate throughout the world. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Company or any Parent, Subsidiary or Affiliate on an ongoing basis other than as stated in this Agreement. Consequently, Participant understands that the RSUs are granted on the assumption and condition that the RSUs and any Shares to be issued upon vesting of the RSUs are not part of any employment contract (either with the Company or any Parent, Subsidiary or Affiliate) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right. Further, Participant understands that the RSUs would not be granted to Participant but for the assumptions and conditions referred to herein; thus, Participant acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then the grant of the RSUs and any right to the Shares shall be null and void.

Participant understands and agrees that, as a condition of the grant of the RSUs, Termination for any reason (including the reasons listed below) will automatically result in the loss of the RSUs that may have been granted to Participant and that have not vested as of date of Termination as described in Section 5 of the Agreement. In particular, Participant understands and agrees that any unvested RSUs as of the date of Termination will be forfeited without entitlement to the underlying Shares or to any amount of indemnification in the event of a Termination by reason of, but not limited to, resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective dismissal on objective grounds, whether adjudged or recognized to be with or without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Participant's employer and under Article 10.3 of the Royal Decree 1382/1985. Participant acknowledges that they have read and specifically accepts the conditions referred to in Section 5 of the Agreement.

Exchange Control Notice

If Participant holds 10% or more of the share capital of the Company, the acquisition, ownership and disposition of Shares must be declared for statistical purposes to the Spanish “*Dirección General de Comercio e Inversiones*” (the DGCI), the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competitiveness. If applicable, the declaration must be made by filing a D-6 form each January for Shares purchased or sold during (or owned by Participant as of December 31) the prior year; however, if the value of Shares acquired or sold exceeds €1,502,530, the declaration must also be filed within one month of the acquisition or sale, as applicable.

In addition, Participant may be required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts) held abroad, any foreign instruments (including Shares), and any transactions with non-Spanish residents (including any payments of Shares made to Participant by the Company) depending on the value of the transactions during the relevant year or the balances in such accounts and the value of such instruments as of December 31 of the relevant year. *Participant should consult with their personal legal advisor regarding the applicable thresholds and corresponding reporting requirements.*

Foreign Asset/Account Reporting Notice

To the extent that Participant holds assets or rights outside of Spain (e.g., Shares or cash held in a brokerage or bank account) with a value in excess of €50,000 per asset type as of December 31 (or at any time during the year in which the asset is sold), Participant will be required to report information on such assets or rights on Participant's tax return (tax form 720) for such year. After such assets or rights are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported assets or rights increases by more than €20,000, or if the ownership of such assets or rights is transferred or relinquished during the year. The report must be completed by March 31. *Participant should consult with their personal legal advisor to ensure compliance with applicable reporting requirements.*

Sweden	<p>Taxes</p> <p>This provision supplements Section 6 of the Agreement and the Taxes provision in the "All Non-U.S. Jurisdictions" section of this Addendum:</p> <p>Without limiting the Company’s and the Employer’s authority to satisfy their withholding obligations for Tax-Related Items as set forth in Section 6 of the Agreement and the Taxes provision in the “All Non-U.S. Jurisdictions” section of this Addendum, in accepting the grant of RSUs, Participant authorizes the Company and/or the Employer to withhold Shares or to sell Shares otherwise deliverable to Participant upon vesting/settlement to satisfy Tax-Related Items, regardless of whether the Company and/or the Employer have an obligation to withhold such Tax-Related Items.</p>
Switzerland	<p>Securities Law Notice</p> <p>Neither this document nor any other materials relating to the RSUs (i) constitute a prospectus according to articles 35 et seq. of the Swiss Federal Act on Financial Services (“<i>FinSA</i>”), (ii) may be publicly distributed nor otherwise made publicly available in Switzerland to any person other than an employee of the Company, or (iii) have been or will be filed with, approved or supervised by any Swiss reviewing body according to article 51 of the FinSA or any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority).</p>
Taiwan	<p>Securities Law Notice</p> <p>The offer of participation in the Plan is available only for employees. The offer of participation in the Plan is not a public offer of securities by a Taiwanese company.</p> <p>Exchange Control Notice</p> <p>Participant may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US \$5,000,000 per year through an authorized foreign exchange bank. If the transaction amount is TWD 500,000 or more in a single transaction, Participant must submit a Foreign Exchange Transaction Form, and other supporting documentation, to the satisfaction of the remitting bank. If the transaction amount is US \$500,000 or more, Participant may be required to provide additional supporting documentation to the satisfaction of the remitting bank.</p>
Thailand	<p>Exchange Control Notice</p> <p>If Participant receives proceeds from the sale of Shares and any Dividend Equivalents paid in cash received in relation to Shares in excess of US \$1,000,000 in a single transaction, Participant must immediately repatriate the funds to Thailand, unless Participant can rely on an exemption (e.g., where the funds will be used offshore for any permissible purpose under exchange control regulations) and the relevant form and supporting documents have been submitted to a commercial bank in Thailand. Any foreign currency repatriated to Thailand must be converted to Thai Baht or deposited into a foreign currency deposit account opened with any commercial bank in Thailand acting as the authorized agent within 360 days from the date the funds are repatriated to Thailand. Participant is also required to inform the authorized agent of the details of the foreign currency transaction, including Participant's identification information and the purpose of the transaction.</p>
United Arab Emirates	<p>Securities Law Notice</p> <p>The Plan is only being offered to qualified employees and is in the nature of providing equity incentives to employees of the Company’s Subsidiary in the United Arab Emirates (“UAE”). The Plan and the Agreement are intended for distribution only to such employees and must not be delivered to, or relied on by, any other person. Participant should conduct their own due diligence on the RSUs offered pursuant to this Agreement. If Participant does not understand the contents of the Plan and/or the Agreement, Participant should consult an authorized financial adviser. Neither the UAE Central Bank, the Emirates Securities and Commodities Authority and the Dubai Financial Services Authority, nor any other licensing authority or government agency in the UAE, has responsibility for reviewing or verifying any documents in connection with the Plan. Further, the Ministry of the Economy and the Dubai Department of Economic Development have not approved the Plan or the Agreement nor taken steps to verify the information set out therein, and have no responsibility for such documents.</p>

United Kingdom Taxes

This provision supplements Section 6 of the Agreement and the Taxes provision in the "All Non-U.S. Jurisdictions" section of this Addendum:

Without limitation to Section 6 of the Agreement, Participant agrees to be liable for any Tax-Related Items related to their participation in the Plan and legally applicable to Participant and hereby covenants to pay any such Tax-Related Items, as and when requested by the Company or the Employer or HM Revenue & Customs ("**HMRC**") (or any other tax authority or any other relevant authority). Participant also agrees to indemnify and keep indemnified the Company and the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on Participant's behalf.

Notwithstanding the foregoing, if Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply. In the event that Participant is an executive officer or director and the income tax is not collected from or paid by Participant within ninety (90) days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income tax may constitute a benefit to Participant on which additional income tax and national insurance contributions may be payable. Participant acknowledges that they will be responsible for reporting and paying any income tax due on this additional benefit directly to the HMRC under the self-assessment regime and for paying the Company or the Employer, as applicable, for the value of any employee national insurance contributions due on this additional benefit.

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Mark Zuckerberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meta Platforms, 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: April 24, 2024

/s/ MARK ZUCKERBERG

Mark Zuckerberg

Chairman and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Susan Li, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Meta Platforms, 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: April 24, 2024

/s/ SUSAN LI

Susan Li

Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Mark Zuckerberg, Chairman and Chief Executive Officer of Meta Platforms, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: April 24, 2024

/s/ MARK ZUCKERBERG

Mark Zuckerberg

Chairman and Chief Executive Officer

(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Susan Li, Chief Financial Officer of Meta Platforms, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2024 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: April 24, 2024

/s/ SUSAN LI

Susan Li

Chief Financial Officer

(Principal Financial Officer)