

**Offer to Purchase for Cash**  
**Up to 500,000 Shares of Class A Common Stock**  
**Facebook, Inc.**  
at  
**\$290.00 Net Per Share**  
by  
**Tutanota LLC**

**THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M.,  
NEW YORK CITY TIME, ON FRIDAY, APRIL 2, 2021, UNLESS THE OFFER IS EXTENDED OR  
EARLIER TERMINATED.**

Tutanota LLC, a Delaware limited liability company (“Purchaser”), is offering to purchase up to 500,000 outstanding shares of Class A common stock, \$0.000006 par value per share (CUSIP 30303M 102), or such lesser number of shares as may be properly tendered and not properly withdrawn (the “Shares”), of Facebook, Inc., a Delaware corporation (the “Company”), at a purchase price of \$290.00 per Share (the “Offer Price”), net to the seller in cash, without interest thereon and less any applicable withholding taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with the Offer to Purchase, each as may be amended or supplemented from time to time, collectively constitute the “Offer”).

Only Shares validly tendered and not properly withdrawn will be purchased. Due to the proration provisions described in this Offer to Purchase, all of the Shares tendered may not be purchased if more than the number of Shares sought in the Offer are properly tendered. Shares not purchased in the Offer will be returned at Purchaser’s expense promptly following the expiration of the Offer. See Section 1 — “Terms of the Offer; Proration; Expiration Date.”

**Under no circumstances will interest be paid on the purchase price for the Shares, including by reason of any extension of the Offer or any delay in making payment for Shares.**

This Offer is not conditioned on any minimum number of Shares being tendered. This Offer is, however, subject to other conditions. See Sections 1, 9 and 12, which set forth in full the conditions to the Offer.

A summary of the principal terms of the Offer appears in the “Summary Term Sheet” beginning on page (i) of this Offer to Purchase. You should read this entire Offer to Purchase and the Letter of Transmittal carefully before deciding whether to tender your Shares in the Offer.

**Stockholders are urged to obtain a current market quotation for the Shares.**

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## IMPORTANT

If you desire to tender all or any portion of your Shares to Purchaser pursuant to the Offer, you should either (i) complete and sign the Letter of Transmittal for the Offer, which is enclosed with this Offer to Purchase, in accordance with the instructions contained in the Letter of Transmittal, mail or deliver the Letter of Transmittal (or a manually executed facsimile thereof) and any other required documents to Tutanota LLC, in its capacity as depository for the Offer (the “Depository”), and either deliver the certificates for your Shares to the Depository along with the Letter of Transmittal (or a manually executed facsimile thereof) or tender your Shares by book-entry transfer by following the procedures described in Section 3 — “Procedures for Tendering Shares,” in each case prior to the expiration date of the Offer, or (ii) request that your broker, dealer, commercial bank, trust company or other nominee effect the transaction for you. If you hold Shares registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact that institution in order to tender your Shares to Purchaser pursuant to the Offer.

Questions regarding the Offer and requests for additional copies of this Offer to Purchase and the Letter of Transmittal may be directed to Tutanota LLC, in its capacity as the information agent for the Offer (the “Information Agent”), at (888) 519-8569 or [contactagent@tutanota.com](mailto:contactagent@tutanota.com). Stockholders may also contact their broker, dealer, commercial bank, trust company or other nominee for copies of these documents.

**This Offer to Purchase and the related Letter of Transmittal contain important information, which you should carefully read before making a decision with respect to this Offer. You are urged to obtain a current market quotation for the Shares. See Section 6 — “Price Range of Shares; Dividends.”**

**THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) OR ANY STATE SECURITIES COMMISSION NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL AND A CRIMINAL OFFENSE.**

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*March 1, 2021*

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## SUMMARY TERM SHEET

*The information contained in this summary term sheet is a summary only and is not meant to be a substitute for the more detailed description and information contained in the Offer to Purchase and the Letter of Transmittal. You are urged to read carefully the Offer to Purchase and the Letter of Transmittal in their entirety. Purchaser has included cross-references in this summary term sheet to other sections of the Offer to Purchase where you will find more complete descriptions of the topics mentioned below. The information concerning the Company has been taken from or is based upon publicly available documents or records of the Company on file with the U.S. Securities and Exchange Commission or other public sources at the time of the Offer. Purchaser has not independently verified the accuracy and completeness of such information. Purchaser has no knowledge that would indicate that any statements contained herein relating to the Company taken from or based upon such documents and records filed with the U.S. Securities and Exchange Commission are untrue or incomplete in any material respect.*

- Offer:** Purchaser is offering to purchase up to 500,000 shares of Class A common stock, \$0.000006 par value per share, of Facebook, Inc.
- Price Offered Per Share:** \$290.00 net to you in cash without interest and less any applicable withholding taxes.
- Purchaser:** Tutanota LLC, a Delaware limited liability company
- Information Agent:** Tutanota LLC
- Depository:** Tutanota LLC
- No Minimum Condition:** The Offer is not conditioned on a minimum number of shares of Class A common stock of Facebook, Inc. having been validly tendered and not properly withdrawn prior to the expiration of the Offer.
- Conditions:** The obligation of Purchaser to accept for payment and pay for Shares validly tendered (and not properly withdrawn) pursuant to the Offer is subject to the satisfaction of a number of conditions, including (but not limited to):
- No legal action shall have been taken, and we shall not have received notice of any legal action, that could reasonably be expected to adversely affect the Offer.
  - No material adverse change in the businesses, condition (financial or otherwise), assets, income, operations, prospects or stock ownership of the Company and its subsidiaries shall have occurred.
  - No general suspension of, or general limitation on prices for, or trading in, securities on any national securities exchange in the United States or in the over-the-counter market shall have occurred.
  - No significant changes in the general political, market, economic or financial conditions in the United States or abroad that are reasonably likely to adversely affect the Company's business or the trading in the Shares shall have occurred.
  - No person shall have proposed, announced or made a tender or exchange offer (other than this Offer), merger, business combination or other similar transaction involving the Company or any of its subsidiaries.
  - No person (including certain groups) shall have acquired or proposed to acquire more than 5% of the Shares.

- We shall have obtained sufficient financing to consummate the transactions contemplated by the Offer (including our purchase of Shares tendered into the Offer) on terms satisfactory to us in our reasonable discretion.
- The closing price of the Shares on the The Nasdaq Stock Market LLC (“NASDAQ”) on the last full trading day prior to the expiration date of the Offer (as the same may be extended) shall exceed the Offer Price.

**Board Approval:**

The Offer has been commenced without obtaining the prior approval or recommendation of the Company’s board of directors. Neither the approval nor the recommendation of the Company’s board of directors is required under applicable law for this tender offer transaction to be commenced or completed. See the “Introduction.” The Company’s board of directors is required to advise the Company’s stockholders of its position with respect to the Offer within 10 business days after the date of this Offer to Purchase. See the “Introduction.”

**Expiration of the Offer:**

The Offer expires at 5:00 p.m., New York City time, on Friday, April 2, 2021, unless extended. As of the date of this Offer to Purchase, we expect to extend the Offer for successive periods of 45 to 180 days until the market price of the Shares exceeds the Offer Price. See Section 1 — “Terms of the Offer; Proration; Expiration Date.”

**Withdrawal Rights:**

The tender of your Shares may be withdrawn at any time prior to 5:00 p.m., New York City time, on Friday, April 2, 2021, and, unless previously accepted for payment pursuant to the Offer, may also be withdrawn at any time after the date that is two weeks following the expiration date of the Offer, as the same may be extended.

**Effect of Not Tendering Shares:**

The Offer is not conditioned on a minimum number of Shares having been tendered. Accordingly, your decision to not tender your Shares will have no effect on whether or not the Offer is completed. If you do not tender your Shares, you will continue to own your Shares whether or not the Offer is completed.

**No Appraisal Rights:**

No appraisal rights will be available in connection with the Offer.

**United States Federal Income Tax Consequences:**

The sale of Shares pursuant to the Offer will be a taxable transaction for U.S. federal income tax purposes. In general, if you sell Shares pursuant to the Offer, you should recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received and your adjusted tax basis in the Shares sold.

## QUESTIONS AND ANSWERS ABOUT THE OFFER

We are offering to acquire up to 500,000 outstanding shares of the Company's Class A common stock for \$290.00 per share, net to the seller in cash, without interest and less any applicable withholding taxes. The following are some of the questions that you, as a stockholder of Facebook, Inc., may have about us and our tender offer and answers to those questions. We urge you to carefully read the remainder of this Offer to Purchase and the related Letter of Transmittal because the information in these questions and answers is not complete and is intended to be an overview only. Additional important information is contained in the remainder of this Offer to Purchase and the related Letter of Transmittal. We have included references to the sections of this document where you will find a more complete discussion of the topics covered in this section.

### **Who is offering to buy my securities?**

We are Tutanota LLC, a Delaware limited liability company. We are a private investment company whose principal business is investing in publicly traded securities whose value we expect to appreciate over a 12-month period. We execute extensive due diligence to identify securities that we believe are undervalued. See Section 8 — "Certain Information Concerning Purchaser."

Unless the context indicates otherwise, in this Offer to Purchase, we use the terms "us," "we" and "our" to refer to Purchaser.

### **What are the classes and amounts of securities sought in this Offer?**

We are seeking to purchase up to 500,000 of the outstanding shares of Class A common stock, \$0.000006 par value per share, of Facebook, Inc. or such lesser number of shares as are properly tendered and not properly withdrawn. The Company disclosed in its Annual Report on Form 10-K filed on January 28, 2021 that, as of January 22, 2021, there were 2,405,448,410 Shares outstanding. The Offer is not conditioned on any minimum number of Shares being tendered. See the "Introduction" and Section 1 — "Terms of the Offer; Proration; Expiration Date."

### **How much are you offering to pay?**

We are offering to pay \$290.00 per share, net to you in cash and without interest thereon. Payments made to you in connection with the Offer may also be subject to "backup withholding" of U.S. federal income tax on payments for Shares made in the Offer (currently at a rate of 24%) if certain requirements are not met. See Section 5 — "Certain United States Federal Income Tax Consequences."

### **Will I have to pay any fees, commissions or transfer taxes?**

You are responsible for paying any fees or expenses you incur in tendering your Shares in the Offer. If you are the record owner of your Shares (*i.e.*, a stock certificate has been issued to you) and you tender your Shares to us in the Offer, you will not have to pay brokerage fees or similar expenses. If you own your Shares through a broker, dealer, commercial bank, trust company or other nominee, and your broker, dealer, commercial bank, trust company or nominee tenders your Shares on your behalf, your broker, dealer, commercial bank, trust company or nominee may charge you a fee or commission for doing so. You should consult your broker or nominee to determine whether any fees or commissions will apply. See the "Introduction" and Section 1 — "Terms of the Offer; Proration; Expiration Date."

In addition, if you are a U.S. resident for U.S. tax purposes and you do not complete, sign and return the IRS Form W-9 included in the Letter of Transmittal, you may be subject to required backup federal income tax withholding. If you are not a U.S. resident for U.S. tax purposes, you should consult your own U.S. tax advisor as to which IRS Form you should complete, sign and return. If payment for the Shares is to be made to a person other than the registered holder of the Shares, or if a stock transfer tax is imposed for any other reason, the amount of the stock transfer taxes will be deducted from the purchase price to be paid with respect to the Shares, unless satisfactory evidence of payment of the stock transfer taxes is submitted with the Letter of Transmittal.

### **What happens if more than 500,000 Shares are tendered?**

If more than 500,000 Shares are validly tendered and not properly withdrawn at the expiration of the Offer we will purchase Shares on a pro rata basis with fractional Shares rounded down to the nearest whole Share. This means that we will purchase from each tendering stockholder a number of Shares equal to the number of Shares validly tendered and not properly withdrawn by such stockholder multiplied by a proration factor. The proration factor is equal to 500,000 (the number of Shares we are offering to purchase) divided by the total number of Shares validly tendered and not properly withdrawn by all stockholders.

For example, if you tender 1,000 Shares in the Offer and at the expiration of the Offer a total of 1,000,000 Shares have been validly tendered and not properly withdrawn and all of the conditions of the Offer have been satisfied or waived, we will purchase only 500 Shares. Of the 1,000 Shares that you tendered, we will purchase 500 Shares and 500 Shares will be returned to you. We will make adjustments to avoid purchases of fractional shares. See Section 1 — “Terms of the Offer; Proration; Expiration Date.”

**Have any stockholders entered into agreements with Purchaser requiring them to tender their Shares to the Offer?**

No. We have not entered into any agreements with any stockholder of Facebook, Inc. to agree to tender any Shares into the Offer.

**Do you own any Shares?**

On the date of this Offer to Purchase, we do not beneficially own any Shares of the Company.

**What happens to any Shares that are not accepted for purchase?**

If any tendered Shares are not accepted for payment for any reason, the certificates for such unpurchased Shares will be returned, without expense, to the tendering stockholder, or such other person as the tendering stockholder specifies in the Letter of Transmittal. This includes any Shares not accepted for payment as a result of proration. See Section 2 — “Acceptance for Payment and Payment for Shares.”

**What are the most significant conditions of the Offer?**

The most significant conditions to this Offer are the following, any or all of which may be waived, to the extent legally possible, by us in our sole discretion:

- No legal action shall have been instituted, threatened in writing or taken that challenges or affects the Offer or could reasonably be expected to adversely affect the Company’s or its subsidiaries’ businesses, properties, assets, liabilities, capitalization, stockholders’ equity, financial condition, operations, results of operations or prospects, or otherwise materially impairs the contemplated future conduct of the Company’s or its subsidiaries’ businesses or our ability to exercise full rights of ownership or purchase and hold all Shares purchased in the Offer;
- No material adverse change in the Company’s or its subsidiaries’ businesses, properties, assets, liabilities, capitalization, stockholders’ equity, financial condition, operations, results of operations or prospects shall have occurred;
- No general suspension of trading in, or limitation on prices for or trading in, securities on any national securities exchange or in the over-the-counter markets in the United States or the declaration of a banking moratorium or any suspension of payment in respect of banks in the United States shall have occurred;
- No commencement or escalation of war, armed hostilities or other international or national calamity, including, but not limited to, an act of terrorism, shall have occurred directly or indirectly involving the United States or any other jurisdictions in which the Company and its subsidiaries do business;

- No significant changes in the general political, market, economic or financial conditions in the United States or abroad that could reasonably be expected to materially and adversely affect the Company's or any of its subsidiaries' businesses, properties, assets, liabilities, capitalization, stockholders' equity, financial condition, operations, licenses, results of operations or prospects, or otherwise materially impairs the contemplated future conduct of the Company's or its subsidiaries' businesses or the trading in the Shares shall have occurred;
- No person shall have commenced, proposed, announced, made or publicly disclosed a tender or exchange offer (other than this Offer), merger, acquisition, business combination or other similar transaction involving the Company or any of its subsidiaries;
- No person (including certain groups) shall have acquired or proposed to acquire more than 5% of the Shares;
- No person shall have filed a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, to acquire the Company, any of its subsidiaries or any of the Shares, or made a public announcement reflecting an intent to acquire the Company or any of its subsidiaries;
- We shall have obtained any antitrust, bank, regulatory or other governmental approvals, consents or clearances necessary to complete this Offer (though we do not currently believe that any such approvals, consents or clearances exist);
- We shall have obtained sufficient financing to consummate the transactions contemplated by the Offer on terms satisfactory to us in our reasonable discretion; and
- The closing price of the Shares on NASDAQ on the last full trading day prior to the expiration date of the Offer (as the same may be extended) shall exceed the Offer Price.

The Offer is also subject to a number of other conditions described below in this Offer to Purchase. We can waive the conditions to this Offer, subject to applicable law. A more detailed discussion of the conditions to this Offer may be found in the "Introduction", Section 9 and Section 12.

**Will I be required to grant a proxy in order to tender my Shares into the Offer?**

No. The granting of a proxy to us is not a prerequisite to tendering Shares into the Offer, although the Letter of Transmittal includes a customary proxy effective only upon the acceptance for payment of Shares in the Offer, as described in Section 3 — "Procedures for Tendering Shares."

**Do you have the financial resources to pay for the Shares?**

In order to finance the purchase of up to 500,000 shares of the Company's Class A common stock pursuant to this Offer, we expect to use a combination of cash on hand and third-party debt financing. Any third-party debt financing will likely be subject to customary conditions, including, among other things, the preparation, execution and delivery of mutually acceptable documentation, and will likely include customary representations and warranties, covenants and events of default. We do not expect to be able to obtain the financing necessary to purchase the Shares tendered into the Offer unless the closing price of the Shares on NASDAQ on the last full trading day prior to the expiration date of the Offer (as the same may be extended) exceeds the Offer Price. See Section 9 — "Financing of the Offer."

**Is your financial condition relevant to my decision to tender my Shares in this Offer?**

The financial condition of Purchaser may be relevant to your decision to tender your Shares because this Offer is contingent upon us having received debt financing sufficient, together with cash on hand, to consummate the Offer. See Section 9 — "Financing of the Offer." We cannot guarantee that we will be able to obtain such debt financing.



### **How long do I have to decide whether to tender into the Offer?**

You may tender your Shares into the Offer until 5:00 p.m., New York City time, on Friday, April 2, 2021, which is the scheduled expiration date of the offering period, unless we decide or are required to extend the offering period. As of the date of this Offer to Purchase, we expect to extend the offering period for successive periods of 45 to 180 days until the market price of the Shares exceeds the Offer Price. **If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely they have an earlier deadline for administrative reasons, for you to act to instruct them to accept the Offer on your behalf. We urge you to contact the broker, dealer, commercial bank, trust company or other nominee to find out their deadline.** See Section 3 — “Procedures for Tendering Shares.”

### **Can the Offer be extended, and under what circumstances?**

We expressly reserve the right, in our reasonable discretion, but subject to applicable law, to extend the period of time during which the Offer remains open. As of the date of this Offer to Purchase, we believe that the Shares are undervalued and expect to extend the Offer for successive periods of 45 to 180 days until the market price of the Shares exceeds the Offer Price. If we extend the Offer, we will make a public announcement of the extension, not later than 9:00 a.m., New York City time, on the next business day after the day on which the Offer was scheduled to expire. See Section 1 — “Terms of the Offer; Proration; Expiration Date.” We cannot assure you that we will extend the Offer, how long any extension may last or how many extension periods there may be. If the Offer is extended, no Shares will be accepted or paid for until the final extension expires (and only if the conditions of the Offer are satisfied or, to the extent applicable, waived at such time), and you will be able to withdraw your Shares until that expiry. We can also amend the Offer in our sole discretion or terminate the Offer under certain circumstances, in each case, subject to applicable laws.

### **How will I be notified if the Offer is extended?**

If we decide to extend the Offer, we will issue a press release announcing the extension not later than 9:00 a.m., New York City time, on the next business day after the day on which the Offer was scheduled to expire. See Section 1 — “Terms of the Offer; Proration; Expiration Date.”

### **How do I tender my Shares?**

To tender your Shares, you must deliver the certificates representing your Shares or confirmation of a book-entry transfer of such Shares into the account of the Depository at The Depository Trust Company (the “Book-Entry Transfer Facility”), together with a completed Letter of Transmittal (or a facsimile thereof) or an Agent’s Message (as defined in Section 3 — “Procedures for Tendering Shares”) and any other documents required by the Letter of Transmittal, to the Depository, prior to the expiration date of the Offer. If your Shares are held in street name (that is, through a broker, dealer or other nominee), they can be tendered by your nominee through the Book-Entry Transfer Facility. See Section 3 — “Procedures for Tendering Shares.”

We are not providing for guaranteed delivery procedures. Therefore, you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Book-Entry Transfer Facility. In addition, if you are a registered holder, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or in the case of a book-entry transfer, an Agent’s Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by Purchaser prior to 5:00 p.m., New York City time, on the expiration date of the Offer. You must tender your Shares in accordance with the procedures set forth in this Offer to Purchase and the Letter of Transmittal. Tenders received by Purchaser after the expiration date of the Offer will be disregarded and of no effect.

### **May I tender only a portion of the Shares that I hold?**

Yes. You do not have to tender all of the Shares that you own to participate in the Offer.

### **Can I withdraw Shares that I previously tendered and until what time can I withdraw previously tendered Shares?**

The tender of your Shares may be withdrawn at any time prior to the expiration date of our Offer and, if we have not accepted your Shares for payment pursuant to the Offer, you may withdraw them at any time after two weeks following the expiration date of the Offer, as the same may be extended, until we do accept your Shares for payment. However, once we accept your tendered Shares for payment upon expiration of the Offer, you will no longer be able to withdraw them. See Section 4 — “Withdrawal Rights.”

### **How do I withdraw previously tendered Shares?**

You (or your broker, dealer, bank, trust company or other nominee if your Shares are held in “street name”) must notify the Depository at its address listed on the back cover of this document, and the notice must include the name of the stockholder that tendered the Shares, the number of Shares to be withdrawn and the name in which the tendered Shares are registered. For more information about the procedures for withdrawing your previously tendered Shares, see Section 4 — “Withdrawal Rights.”

### **Can holders of stock options and other equity awards participate in the Offer?**

The Offer is only for Shares and not for any equity awards denominated in Shares, such as unexercised stock options or any restricted stock units, restricted stock, performance shares, stock bonus, other types of stock awards, or any other rights to acquire Shares. If you hold vested but unexercised stock options and you wish to participate in the Offer, you must exercise your stock options in accordance with the terms of the applicable equity incentive plan and award agreement and tender the unrestricted Shares received upon the exercise in accordance with the terms of the Offer. See Section 3 — “Procedures for Tendering Shares.” Holders of any other equity awards (such as unvested stock options, restricted stock units, restricted stock, performance shares, stock bonus or other types of stock awards) may not tender such securities in the Offer.

### **What does the board of directors of Facebook, Inc. think of this Offer?**

We have not asked the board of directors of the Company to approve the Offer or provide a recommendation with respect to the Offer. Under applicable law, no approval or recommendation by the Company’s board is necessary for us to commence or complete this Offer. Under the rules of the SEC, within 10 business days after the date of this Offer to Purchase, the Company is required to publish, send or give to you a statement as to whether it recommends acceptance or rejection of the Offer, that it has no opinion and is remaining neutral with respect to the Offer or that it is unable to take a position with respect to the Offer. The Company’s statement must also include the reason for the position that it takes. The approval of the Company’s board of directors is not required for stockholders to tender their Shares or for Purchaser to consummate the Offer.

### **When and how will I be paid for my tendered Shares?**

We will pay for all validly tendered and not properly withdrawn Shares promptly after the expiration date of the Offer, subject to the satisfaction or waiver of the conditions to the Offer. In all cases, payment for tendered Shares will be made only after timely receipt by the Depository of certificates for the Shares (or of a confirmation of a book-entry transfer of the Shares), a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) and any other required documents for such Shares. See Section 2 — “Acceptance for Payment and Payment for Shares” for more information.

### **Following the Offer will Facebook, Inc. continue as a public company?**

The completion of the Offer in accordance with its terms and conditions will not cause the Company to be delisted from NASDAQ or to no longer be subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). See Section 10 — “Certain Effects of the Offer.”

### **If I decide not to tender, how will the Offer affect my Shares?**

Stockholders who choose not to tender will own the same percentage ownership of the Company’s outstanding Shares following the consummation of the Offer as they do prior to the consummation of the Offer. See Section 10 — “Certain Effects of the Offer.” Company stockholders who do not tender their Shares pursuant to the Offer will continue to be the owners of such Shares. As a result, such stockholders will continue to participate in the

future performance of the Company and to bear the attendant risks associated with owning Shares. Stockholders that do not tender their Shares pursuant to the Offer may be able to sell their Shares in the future on NASDAQ or otherwise at a net price higher or lower than the Offer Price. We can give no assurance, however, as to the price at which any stockholder may be able to sell his, her or its Shares in the future.

Our purchase of the Shares will not reduce the number of Shares that might otherwise trade publicly. If you decide not to tender your Shares in the Offer and we purchase all of the tendered Shares, the Company will still be a public company listed on NASDAQ, unless the Company delists or is delisted for independent reasons.

**What was the market price of my Shares as of a recent date?**

On February 26, 2021, the last full trading day prior to the date of this Offer to Purchase, the reported closing price of the Shares on NASDAQ was \$257.62 per Share. You should obtain a current market quotation for your Shares. See Section 6 — “Price Range of Shares; Dividends.”

**Are there any appraisal or dissenters’ rights?**

Holders of Shares will not have appraisal or dissenters’ rights as a result of the Offer.

**Generally, what are the United States federal income tax consequences of tendering Shares?**

The receipt of cash by you in exchange for your Shares pursuant to the Offer will be a taxable transaction for United States federal income tax purposes. In general, you will recognize gain or loss equal to the difference between your adjusted tax basis in the Shares you tender and the amount of cash you receive for those Shares. If you are a United States Holder (as defined in Section 5 — “Certain United States Federal Income Tax Consequences”) and you hold your Shares as a capital asset, the gain or loss that you recognize will be a capital gain or loss and will be treated as a long-term capital gain or loss if you have held the Shares for more than one year. See Section 5 — “Certain United States Federal Income Tax Consequences” for a summary of the material United States federal income tax consequences of tendering Shares pursuant to the Offer.

**You are urged to consult your own tax advisors to determine the particular tax consequences to you of the Offer (including the application and effect of any state, local or non-United States income and other tax laws).**

**Who should I call if I have questions about the Offer?**

Tutanota LLC is acting as the information agent for the Offer. If you have any questions or would like additional copies of this Offer to Purchase and/or the Letter of Transmittal, you should contact Tutanota LLC at (888) 519-8569 or [contactagent@tutanota.com](mailto:contactagent@tutanota.com). You may also contact your broker, dealer, commercial bank, trust company or other nominee for copies of these documents.

To the Holders of Class A Common Stock of Facebook, Inc.:

## INTRODUCTION

Tutanota LLC, a Delaware limited liability company (“Purchaser”), hereby offers to purchase up to 500,000 shares of Class A common stock, \$0.000006 par value per share (the “Shares”), of Facebook, Inc., a Delaware corporation (“Facebook” or the “Company”), that are issued and outstanding, at a purchase price of \$290.00 per Share (the “Offer Price”), net to the seller in cash without interest and less any applicable withholdings taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together constitute the “Offer”) and any amendments or supplements hereto or thereto. Unless the context indicates otherwise, we use the terms “us”, “we”, “our” and “Purchaser” to refer to Tutanota LLC.

Purchaser is a Delaware limited liability company. See Section 8 for additional information concerning Purchaser.

Tendering stockholders whose Shares are registered in their own name and who tender directly to Tutanota LLC, which is acting as the depositary for the Offer (the “Depositary”), will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. A stockholder who holds Shares through a broker, dealer, commercial bank, trust company or other nominee should consult such institution to determine whether it will charge any service fee or commission for tendering such stockholder’s Shares to Purchaser in the Offer. You should consult your broker or nominee to determine whether any such fees or commissions will apply. Any tendering stockholder or other payee that fails to complete and sign the IRS Form W-9 included in the Letter of Transmittal, or applicable IRS Form W-8 or a suitable substitute form (in the case of non-U.S. stockholders), may be subject to a required back-up U.S. federal income tax withholding (currently 24%, or 30% in the case of non-U.S. stockholders) of the gross proceeds payable to such stockholder or other payee pursuant to the Offer. See Section 5 — “Certain United States Federal Income Tax Consequences.”

On February 26, 2021, the last full day of trading prior to the date hereof, the last reported closing price of the Shares on NASDAQ was \$257.62 per Share. The Offer Price of \$290.00 represents an approximately 12.57% premium to the closing price of the Shares on February 26, 2021. **STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.** The Offer is not conditioned on any minimum number of Shares being tendered; however, the Offer is subject to other conditions, including that the closing price of the Shares on NASDAQ on the last full trading day prior to the expiration date of the Offer (as the same may be extended) must exceed the Offer Price and Purchaser must have obtained sufficient financing to consummate the Offer. The Offer is also subject to certain other terms and conditions described in Section 12. Purchaser reserves the right to waive each of the conditions to the obligations of Purchaser to consummate the Offer to the extent permitted by law.

The board of directors of the Company has not been asked by Purchaser to approve or recommend the Offer. Under applicable law, no approval or recommendation by the Company’s board is necessary for Purchaser to commence or complete the Offer. Under the rules of the Securities and Exchange Commission (the “SEC”), within 10 business days after the date of this Offer to Purchase, the Company is required by law to publish, send or give to you a statement that the Company (i) recommends acceptance or rejection of the Offer, (ii) expresses no opinion and remains neutral toward the Offer, or (iii) is unable to take a position with respect to the Offer. The Company’s statement must also include the reasons for the position it takes (including, if applicable, describing why it has no opinion with respect to the Offer). The approval of the Company’s board of directors is not required for stockholders to tender their Shares or for Purchaser to consummate the Offer.

As of the date of this Offer to Purchase, we do not beneficially own any shares of capital stock of the Company. According to Facebook’s Annual Report on Form 10-K filed with the Securities Exchange Commission on January 28, 2021, as of January 22, 2021, there were 2,405,448,410 Shares outstanding. The 500,000 Shares that we are offering to purchase hereby represent approximately 0.0208% of the total number of outstanding shares of Class A common stock as of January 22, 2021.

Certain United States federal income tax consequences of the sale of Shares pursuant to the Offer are described in Section 5 — “Certain United States Federal Income Tax Consequences.”

The Offer is made only for Shares and is not made for any equity awards denominated in Shares, such as unexercised stock options or any restricted stock units, restricted stock, performance shares, stock bonus or any other rights to acquire Shares. Holders of vested but unexercised options may exercise such options in accordance with the terms of the applicable equity incentive plan and award agreement and tender some or all of the unrestricted Shares received upon such exercise. The tax consequences to optionholders of exercising their options are not described under Section 5 — “Certain United States Federal Income Tax Consequences.” We recommend that any optionholders considering the Offer consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision as to whether to exercise their options. As noted above, holders of any other equity awards (such as unvested stock options, restricted stock units, restricted stock, performance shares, stock bonus or other types of stock awards) may not tender such securities in the Offer.

Immediately following the consummation of the Offer, if it occurs, the Company will remain a public company subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and the Shares are expected to continue to be listed on NASDAQ.

The Offer does not constitute a solicitation of proxies for any meeting of stockholders of the Company or a solicitation of agent designations to call a special meeting of stockholders of the Company.

No appraisal rights or dissenters’ rights are available in connection with the Offer.

The information contained in this Offer concerning the Company has been obtained from, or is based upon, publicly available documents or records of the Company on file with the SEC or other public sources at the time of the Offer. We have not independently verified the accuracy and completeness of that information. We have no knowledge that would indicate that any statements contained in this Offer relating to the Company or taken from, or based upon, such documents and records filed with the SEC are untrue or incomplete in any material respect. We do not assume any responsibility for the accuracy or completeness of the information concerning the Company contained in this Offer or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any information in this Offer. The sole responsibility of Purchaser in this regard has been to ensure through reasonable inquiries that such information has been accurately and correctly extracted from the sources described above and accurately reflected or reproduced herein.

**The Offer is conditioned upon the fulfillment of the conditions described in Section 12 — “Conditions of the Offer.” The Offer and withdrawal rights will expire at 5:00 p.m., New York City time, on Friday, April 2, 2021, unless the Offer is extended. As of the date of this Offer to Purchase, Purchaser believes that the Shares are undervalued and expects to extend the Offer for successive periods of 45 to 180 days until the market price of the Shares exceeds the Offer Price.**

In the event the Offer is terminated or not consummated, or after the expiration of the Offer, we may purchase additional Shares not tendered in the Offer. Such purchases may be made in the open market or through privately negotiated transactions, tender offers or otherwise. Any such purchases may be on the same terms as, or on terms more or less favorable to stockholders than the terms of the Offer. Any possible future purchases by us will depend on many factors, including, without limitation, the results of the Offer, our business and financial position and general economic and market conditions.

**This Offer to Purchase and the related Letter of Transmittal contain important information about the Offer which should be read in their entirety before any decision is made with respect to the Offer.**

#### **1. Terms of the Offer; Proration; Expiration Date.**

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered and not properly withdrawn in the manner described in Section 4 of this Offer to Purchase, on or prior to the Expiration Date. The term “Expiration Date” means 5:00 p.m., New York City time, on Friday, April 2, 2021, unless Purchaser shall have extended the period during which the Offer is open, in which case the term “Expiration Date” means the latest time and date at which the Offer, as so extended, expires.

If more than 500,000 Shares are validly tendered prior to the Expiration Date and not properly withdrawn, Purchaser will, upon the terms and subject to the conditions of the Offer, accept such Shares for payment on a *pro rata* basis, with fractional Shares rounded down to the nearest whole Share, based upon the number of Shares validly tendered prior to the Expiration Date and not properly withdrawn. Proration for each stockholder will be based on the ratio, the numerator of which is the number of Shares to be purchased by Purchaser (up to 500,000 Shares) and the denominator of which is the total number of Shares properly tendered and not properly withdrawn by all stockholders.

The Offer is not conditioned upon any minimum number of Shares being tendered. The Offer is, however, subject to certain other conditions. See Section 12 — “Certain Conditions of the Offer.” Purchaser expressly reserves the right to waive any of such conditions to the extent permitted by law.

Purchaser expressly reserves the right, in its sole discretion, at any time and from time to time, and regardless of the occurrence of any of the events specified in Section 12 — “Certain Conditions of the Offer,” to (i) extend the period of time during which the Offer is open, and thereby delay acceptance for the payment of, and the payment for, any Shares and (ii) amend the Offer in any other respect. UNDER NO CIRCUMSTANCES WILL INTEREST BE PAID ON THE OFFER PRICE FOR THE SHARES, REGARDLESS OF ANY EXTENSION OF THE OFFER OR ANY DELAY IN MAKING PAYMENT THEREOF. During any such extension, all Shares previously tendered and not properly withdrawn will remain subject to the Offer, subject to the rights of a tendering stockholder to withdraw any tendered Shares.

There can be no assurance that Purchaser will exercise its right to extend the Offer. If Purchaser extends the Offer, then, without prejudice to Purchaser’s rights under the Offer, the Depository may retain tendered Shares on behalf of Purchaser, and such Shares may only be withdrawn in the manner described in Section 4. As of the date of this Offer to Purchase, Purchaser believes that the Shares are undervalued and expects to extend the Offer for successive periods of 45 to 180 days until the market price of the Shares exceeds the Offer Price.

Any extension, delay, waiver or material amendment will be followed as promptly as practicable by public announcement thereof, such announcement in the case of an extension to be made no later than 9:00 a.m., New York City time, on the next business day after the otherwise scheduled Expiration Date in accordance with the public announcement requirements of Rule 14e-1(d) under the Exchange Act. Subject to applicable law under the Exchange Act, which requires that material changes be promptly disseminated to stockholders in a manner reasonably designed to inform them of such changes, and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release on a national news service.

If we extend the Offer, are delayed in our acceptance for payment of or payment for Shares or are unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to our rights under the Offer, the Depository may retain tendered Shares on our behalf, and such Shares may only be withdrawn in accordance with the withdrawal rights described herein under Section 4 — “Withdrawal Rights.” However, our ability to delay the payment for Shares that we have accepted for payment is limited by Rule 14e-1(c) under the Exchange Act, which requires us to pay the consideration offered or return the securities deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Offer.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer or waives a material condition of the Offer, Purchaser may be required to extend the Offer to the extent required under the Exchange Act. The minimum period during which the Offer must remain open following a material change in the terms of the Offer or information concerning the Offer, other than a change in price, a change in percentage of securities sought or changes to a dealer’s soliciting fee generally depends on the facts and circumstances then existing, including the relative materiality of the changed terms or information. We understand that in the SEC’s view, an offer should remain open for a minimum of five business days from the date a material change is first published, sent or given to stockholders and that, if material changes are made with respect to information that relates to price, the number of securities being sought, a dealer’s soliciting fee, or other similarly significant changes, a minimum of 10 business days is required to allow for adequate dissemination to stockholders and investor response. There is no requirement to extend the Offer if the number of business days remaining between the occurrence of an applicable amendment and the then-scheduled Expiration Date equals or exceeds the minimum period that would be required as a result of such amendment. For purposes of the Offer, a “business day” means any day, other than Saturday, Sunday, or a federal holiday determined under Rule 14d-1(g)(3) promulgated under the Exchange Act, on which the principal

offices of the SEC in Washington, D.C. are open to accept filings, or, in the case of determining a date when any payment is due, any day on which banks are not required or authorized to close in the City of New York, and consists of the time period from 12:01 a.m. through 12:00 midnight, New York City time.

If Purchaser, in its sole discretion, amends the Offer to increase or decrease the consideration offered to holders of Shares, such increase or decrease will be applicable to all holders whose Shares are accepted for payment pursuant to the Offer and, if at the time that notice of the increase or decrease is first published, the Offer is scheduled to expire at any time earlier than the expiration of a period ending on the 10th business day from, and including, the date that such notice is first so published, then the Offer will be extended until at least the expiration of such 10 business day period. For the avoidance of doubt, the Offer must remain open for a minimum of 10 business days from, and including, the date the notice of the increase or decrease is first published. If, on or prior to the Expiration Date, Purchaser increases or decreases the consideration being paid for Shares accepted for payment pursuant to the Offer, such increased or decreased consideration will be paid to all stockholders whose Shares are purchased pursuant to the Offer, whether or not such Shares were tendered prior to the announcement of the increase or decrease in consideration.

Purchaser will pay for all Shares validly tendered and not properly withdrawn promptly following the acceptance of Shares for payment pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to the terms and conditions of the Offer, Purchaser also expressly reserves the right to delay payment for Shares in order to comply in whole or in part with applicable laws. The reservation by us of the right to delay the acceptance of or payment for Shares is subject to the provisions of Rule 14e-1(c) under the Exchange Act, which requires us to pay the consideration offered or to return Shares deposited by or on behalf of tendering stockholders promptly after the termination or withdrawal of the Offer.

This Offer to Purchase and the related Letter of Transmittal will be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder lists for subsequent transmittal to beneficial owners of Shares, or, if applicable, who are listed as participants in a clearing agency's security position listing. Purchaser will also mail the Offer to Purchase and the related Letter of Transmittal and other relevant materials to any holder of Shares who requests such materials from the Depository.

## **2. Acceptance for Payment and Payment for Shares.**

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for payment, and after the Expiration Date will promptly pay for, all Shares validly tendered on or prior to the Expiration Date and not properly withdrawn in accordance with Section 4 of this Offer to Purchase, up to a maximum of 500,000 Shares. Any determination concerning the satisfaction of such terms and conditions shall be within the reasonable discretion of Purchaser. Purchaser expressly reserves the right, in its reasonable discretion, to delay acceptance for payment of, or payment for, Shares.

In the event the Offer is oversubscribed, Shares tendered will be subject to proration. The proration period expires at the Expiration Time. If more than 500,000 Shares are validly tendered and not properly withdrawn prior to the Expiration Date, we will purchase Shares on a pro rata basis, with fractional Shares rounded down to the nearest whole Share, such that the aggregate number of Shares that we purchase is equal to 500,000 Shares.

In all cases, payment for Shares tendered and accepted for payment pursuant to the Offer will be made promptly, taking into account any time necessary to determine any proration, but only after timely receipt by the Depository of (i) the certificates evidencing such Shares or timely confirmation of a book-entry transfer of such Shares into the Depository's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3 — "Procedures for Tendering Shares," (ii) a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) with all required signature guarantees, or, in the case of a book-entry transfer, an Agent's Message (as defined below), and (iii) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when Share Certificates or Book-Entry Confirmations with respect to Shares are actually received by the Depository.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to the

Depository of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depository, which will act as agent for tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering stockholders whose Shares have been accepted for payment.

In the event of proration, Purchaser will determine the proration factor and pay for those tendered Shares accepted for payment promptly after the Expiration Date. Certificates for all Shares tendered and not purchased, including Shares not purchased due to proration, will be returned to the tendering stockholder, or, in the case of Shares tendered by book-entry transfer, will be credited to the account maintained with the Book-Entry Transfer Facility by the participant who delivered the Shares promptly after the Expiration Date or termination of the Offer without expense to the tendering stockholders.

**Under no circumstances will interest be paid on the purchase price for tendered Shares, regardless of any extension of or amendment to the Offer or any delay in making such payment.**

If Purchaser is delayed in its acceptance for payment of, or payment for, Shares that are tendered in the Offer, then, without prejudice to Purchaser's rights under the Offer (but subject to compliance with Rule 14e-1(c) under the Exchange Act (relating to a bidder's obligation to pay for or return tendered securities promptly after the termination or withdrawal of such bidder's offer), the Depository may, nevertheless, on behalf of Purchaser, retain Shares that are tendered in the Offer, and such Shares may only be withdrawn in accordance with the withdrawal rights described herein under Section 4 — "Withdrawal Rights."

If any tendered Shares are not accepted for payment pursuant to the terms and conditions of the Offer because of an invalid tender or for any other reason, or if certificates are submitted for more Shares than are accepted, certificates for such unpurchased Shares will be returned, without expense, to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer at the Book-Entry Transfer Facility pursuant to the procedures set forth in Section 3 — "Procedures for Tendering Shares"), such Shares will be credited to an account maintained with the Book-Entry Transfer Facility, as soon as practicable following the expiration, termination or withdrawal of the Offer.

Following satisfaction or waiver of all of the conditions to the Offer, Purchaser shall accept for payment, in accordance with the terms of the Offer, the Shares which are validly tendered and promptly pay therefor after the Expiration Date. If, for any reason whatsoever, acceptance for payment of or payment for any Shares tendered pursuant to the Offer is delayed, or Purchaser is unable to accept for payment or pay for Shares tendered pursuant to the Offer, then, without prejudice to Purchaser's rights set forth herein, the Depository, may, nevertheless, on behalf of Purchaser retain tendered Shares and such Shares may not be withdrawn except to the extent that the tendering stockholder is entitled to and duly exercises withdrawal rights as described in Section 4. We reserve the right to transfer or assign, in whole or in part, from time to time, to one or more of our affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve us of our obligations under the Offer and will in no way prejudice your rights to receive payment for Shares validly tendered and accepted for payment.

### **3. Procedures for Tendering Shares.**

*Valid Tender.* In order to tender Shares pursuant to the Offer a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof), together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal), and any other documents required by the Letter of Transmittal, must be received on or prior to the Expiration Date by the Depository at its address set forth on the back cover of this Offer to Purchase and certificates representing tendered Shares either must be received by the Depository or tendered pursuant to the procedures for book-entry transfer described below and the Book-Entry Confirmation must be received by the Depository, in each case on or prior to the Expiration Date. No alternative, conditional or contingent tenders will be accepted.

If a broker, dealer, commercial bank, trust company or other nominee holds your Shares, it is likely they have an earlier deadline for you to act to instruct them to accept the tender offer on your behalf. We urge you to contact your broker, dealer, commercial bank, trust company or other nominee to find out its applicable deadline.



The term “Agent’s Message” means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Depository and forming a part of a Book-Entry Confirmation which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that are the subject of such Book-Entry Confirmation, that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that Purchaser may enforce such agreement against such participant. The term “Agent’s Message” also includes any hard copy printout evidencing such message generated by a computer terminal maintained at the Depository’s office.

*Lost, Destroyed, Mutilated or Stolen Share Certificates.* If any Share Certificate has been lost, destroyed, mutilated or stolen, the stockholder should promptly notify the Company’s stock transfer agent, Computershare Trust Company, N.A. at (855) 879-3976 (or (781) 575-4340 non-U.S.). The stockholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. The Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed. A bond may be required to be posted by you to secure against the risk that the certificates may be subsequently recirculated. You are urged to contact the Depository immediately in order to receive further instructions, to permit timely processing of this documentation and for a determination as to whether you will need to post a bond.

*Book-Entry Transfer.* The Depository will make a request to establish an account with respect to the Shares at the Book-Entry Transfer Facility for purposes of the Offer. Any financial institution that is a participant in the Book-Entry Transfer Facility’s system may make book-entry transfers of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depository’s account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility’s procedures for such transfer. Although delivery of Shares may be made through a book-entry transfer, either the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent’s Message in lieu thereof, and any other required documents, must, in any case, be transmitted to and received by the Depository at its address set forth on the back cover of this Offer to Purchase on or prior to the Expiration Date. The confirmation of a book-entry transfer of Shares into the Depository’s account at the Book-Entry Transfer Facility as described above is referred to herein as a “Book-Entry Confirmation”.

**Delivery of documents to the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility’s procedures does not constitute delivery to the Depository.**

THE METHOD OF DELIVERY OF THE SHARES (OR SHARE CERTIFICATES), THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF THE SHARES (OR SHARE CERTIFICATES), THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS WILL BE DEEMED MADE, AND RISK OF LOSS THEREOF SHALL PASS, ONLY WHEN THEY ARE ACTUALLY RECEIVED BY THE DEPOSITARY (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER OF SHARES, BY BOOK-ENTRY CONFIRMATION WITH RESPECT TO SUCH SHARES). IF SUCH DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT THE SHARES (OR SHARE CERTIFICATES), THE LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

*Signature Guarantees.* No signature guarantee is required on a Letter of Transmittal if (i) the Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this Section 3, includes any participant in the Book-Entry Transfer Facility’s systems whose name appears on a security position listing as the owner of the Shares) of the Shares tendered therewith, unless such holder has completed either the box entitled “Special Payment Instructions” or the box entitled “Special Delivery Instructions” on the applicable Letter(s) of Transmittal or (ii) such Shares are tendered for the account of a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a participant in the Security Transfer Agents Medallion Program or by any other “eligible guarantor institution,” as such term is defined in Rule 17Ad-15 under the Exchange Act (each an “Eligible Institution”). In all other cases, all signatures on a Letter of Transmittal must be guaranteed by an Eligible Institution. See Instruction 1 of the Letter of Transmittal.

If a Share Certificate is registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made or delivered, or a Share Certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Share Certificate, with the signature(s) on such Share Certificate or stock powers guaranteed by an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal.

If the Shares are certificated and the certificates representing the Shares are forwarded separately to the Depository, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) must accompany each delivery of certificates for the Shares.

*No Guaranteed Delivery.* Purchaser is not providing for guaranteed delivery procedures. Therefore, stockholders must allow sufficient time for the necessary tender procedures to be completed during normal business hours of the Book-Entry Transfer Facility. In addition, for stockholders who are registered holders, the Letter of Transmittal, properly completed and duly executed, together with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message in lieu of the Letter of Transmittal) and any other documents required by the Letter of Transmittal must be received by the Depository prior to the Expiration Date. Stockholders must tender their Shares in accordance with the procedures set forth in this Offer to Purchase and the Letter of Transmittal. Tenders received by the Depository after the Expiration Date will be disregarded and of no effect.

*Appointment as Proxy.* By executing the Letter of Transmittal (or facsimile thereof) (or, in the case of a book-entry transfer, through delivery of an Agent's Message in lieu of a Letter of Transmittal), as set forth above, the tendering stockholder irrevocably appoints designees of Purchaser and each of them as such stockholder's agents, attorneys-in-fact and proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares tendered by such stockholder and accepted for payment by Purchaser and with respect to any and all other Shares or other securities or rights issued or issuable in respect of such Shares. All such powers of attorney and proxies will be considered irrevocable and coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares (and any such other securities or rights) will be revoked, without further action, and no subsequent powers of attorney or proxies may be given nor any subsequent written consent executed by such stockholder (and, if given or executed, will not be deemed to be effective) with respect thereto. The designees of Purchaser will, with respect to the Shares for which the appointment is effective, be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. In order for Shares to be deemed validly tendered, immediately upon our acceptance for payment of such Shares, Purchaser must be able to exercise full voting, consent and other rights with respect to such Shares and other related securities or rights, including voting at any meeting of stockholders.

The foregoing powers of attorney and proxies are effective only upon acceptance for payment of Shares pursuant to the Offer. The Offer does not constitute a solicitation of proxies, absent a purchase of Shares, for any meeting of the Company's stockholders.

*Equity Awards Denominated in Shares (Such as Options, Restricted Stock Units, Restricted Stock, Performance Shares, Stock Bonus and Other Types of Stock Awards).* The Offer is made only for Shares and is not made for any equity awards denominated in Shares, such as unexercised stock options or any restricted stock units, restricted stock performance shares, stock bonus, other types of stock awards or any other rights to acquire Shares. Holders of vested but unexercised options to purchase Shares may exercise their options in accordance with the terms of the applicable equity incentive plan and award agreement and tender some or all of the unrestricted Shares received upon such exercise. Any such exercise should be completed sufficiently in advance of the Expiration Date to assure that the optionholder will have sufficient time to comply with the procedures for tendering Shares described in this Section. As noted above, holders of any other equity awards (such as unvested stock options, restricted stock units, restricted stock, performance shares, stock bonus or other types of stock awards) may not tender such securities in the Offer.

*Tendering Stockholder's Representation and Warranty; Purchaser's Acceptance Constitutes an Agreement.* It is a violation of Rule 14e-4 promulgated under the Exchange Act for a person acting alone or in concert with others,

directly or indirectly, to tender Shares for such person's own account unless at the time of tender and at the expiration date such person has a "net long position" in (i) the Shares that is equal to or greater than the amount tendered and will deliver or cause to be delivered such Shares for the purpose of tendering to us within the period specified in the Offer or (ii) other securities immediately convertible into, exercisable for or exchangeable into Shares ("Equivalent Securities") that is equal to or greater than the amount tendered and, upon the acceptance of such tender, will acquire such Shares by conversion, exchange or exercise of such Equivalent Securities to the extent required by the terms of the Offer and will deliver or cause to be delivered such Shares so acquired for the purpose of tender to us within the period specified in the Offer. Rule 14e-4 also provides a similar restriction applicable to the tender or guarantee of a tender on behalf of another person. A tender of Shares made pursuant to any method of delivery set forth herein will constitute the tendering stockholder's representation and warranty to us that (a) such stockholder has a "net long position" in Shares or Equivalent Securities being tendered within the meaning of Rule 14e-4, and (b) such tender of Shares complies with Rule 14e-4. Our acceptance for payment of Shares tendered pursuant to the Offer will constitute a binding agreement between the tendering stockholder and us upon the terms and subject to the conditions of the Offer as well as the tendering stockholder's representation and warranty to Purchaser that such stockholder has the full power and authority to tender, sell, assign and transfer the Shares tendered (and any and all other Shares or other securities or rights issued or issuable in respect of such Shares), and when the same are accepted for payment by Purchaser, Purchaser will acquire good and unencumbered title thereto.

*Determination of Validity.* All questions as to the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by us, in our sole and absolute discretion, which determination shall be final and binding on all parties. We reserve the absolute right to reject any and all tenders determined by us not to be in proper form or the acceptance for payment of or payment for which may, in the opinion of Purchaser, be unlawful. We also reserve the absolute right to waive any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of any other stockholder. No tender of Shares will be deemed to have been validly made until all defects and irregularities relating thereto have been cured or waived to our satisfaction. None of Purchaser nor any of its affiliates or assigns, the Depository, the Information Agent or any other person, will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. Our interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Instructions thereto and any other document related to the Offer) will be final and binding.

All authority conferred or agreed to be conferred by delivery of the Letter of Transmittal shall be binding on the successors, assigns, heirs, personal representatives, executors, administrators and other legal representatives of the tendering stockholder and shall not be affected by, and shall survive, the death or incapacity of such tendering stockholder.

A tender of Shares made pursuant to any method of delivery set forth herein will also constitute an acknowledgement by the tendering stockholder that: (1) the Offer is discretionary and may be extended, modified, suspended or terminated by us as provided herein; (2) such stockholder is voluntarily participating in the Offer; (3) such stockholder has read this Offer to Purchase; (4) such stockholder has consulted his, her or its tax and financial advisors with regard to how the Offer will impact the tendering stockholder's specific situation; (5) any foreign exchange obligations triggered by such stockholder's tender of Shares or receipt of proceeds are solely his, her or its responsibility; and (6) regardless of any action that we take with respect to any or all income/capital gains tax, social security or insurance tax, transfer tax or other tax-related items ("Tax Items") related to the Offer and the disposition of Shares, such stockholder acknowledges that the ultimate liability for all Tax Items is and remains his, her or its sole responsibility. In that regard, a tender of Shares shall authorize us to withhold all applicable Tax Items legally payable by a tendering stockholder.

*Backup Withholding.* Under the "backup withholding" provisions of United States federal income tax law, the Depository may be required to withhold and pay over to the United States Internal Revenue Service ("IRS") a portion (currently 24%) of the amount of any payments made by Purchaser to a stockholder pursuant to the Offer. In order to prevent backup withholding from being imposed on the payment to stockholders of the Offer Price of Shares purchased pursuant to the Offer, each United States Holder (as defined in Section 5 — "Material United States Federal Income Tax Consequences") must provide the Depository with such stockholder's correct taxpayer identification number ("TIN") and certify that such stockholder is not subject to backup withholding by completing the IRS Form W-9 included in the Letter of Transmittal, or otherwise establish a valid exemption from backup withholding to the

satisfaction of the Depository. If a United States Holder does not provide its correct TIN or fails to provide the certifications described above, the IRS may impose a penalty on the stockholder and payment of cash to the stockholder pursuant to the Offer may be subject to backup withholding. All United States Holders surrendering Shares pursuant to the Offer should complete and sign the IRS Form W-9 included in the Letter of Transmittal to provide the information necessary to avoid backup withholding. Certain stockholders (including, among others, all corporations and certain foreign individuals) are exempt from backup withholding and payments to such persons will not be subject to backup withholding provided that a valid exemption is established. Each tendering non-United States Holder (e.g., a non-resident alien or foreign entity) must submit an appropriate properly completed applicable IRS Form W-8 (a copy of which may be obtained from the Depository) certifying, under penalties of perjury, to such non-United States Holder's foreign status in order to establish an exemption from backup withholding. See Instruction 11 of the Letter of Transmittal.

For a discussion of the material United States federal income tax consequences to tendering stockholders, see Section 5.

#### **4. Withdrawal Rights.**

Except as otherwise provided in this Section 4, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Date, and unless theretofore accepted for payment as provided herein, may also be withdrawn at any time after the date that is two weeks following the Expiration Date, as the same may be extended, unless such Shares have already been accepted for payment pursuant to the Offer.

If Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer, the Depository may, nevertheless, on behalf of Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in this Section 4. Any such delay will be by an extension of the Offer to the extent required by law.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depository at its address set forth on the back cover page of this Offer to Purchase. The facsimile number for the Depository is (302) 316-3720. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depository, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depository and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfers as set forth in Section 3, such Shares may only be withdrawn by means of the withdrawal procedures made available by the Book-Entry Transfer Facility and any notice of withdrawal must also specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares and must otherwise comply with the Book-Entry Transfer Facility's procedures.

Withdrawals of Shares may not be rescinded. Any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered at any time prior to the Expiration Date, as the same may be extended, by following one of the procedures described in Section 3.

**The method for delivery of any documents related to a withdrawal is at the risk of the withdrawing stockholder. Any documents related to a withdrawal will be deemed delivered only when actually received by the Depository. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.**

We will determine in our sole discretion, all questions as to form and validity (including time of receipt) of any notice of withdrawal, and our determination shall be final and binding. None of Purchaser, the Depository, the Information Agent nor any other person will be under any duty to give any notification of any defect or irregularity in any notice of withdrawal or waiver of any such defects or irregularities or incur any liability for failure to give any such notification.

## 5. Certain United States Federal Income Tax Consequences.

The following is a summary of the material United States federal income tax consequences to beneficial owners of Shares upon the tender of Shares for cash pursuant to the Offer. This summary is general in nature and does not discuss all aspects of United States federal income taxation that may be relevant to a holder of Shares in light of its particular circumstances. In addition, this summary does not describe any tax consequences arising under the laws of any state, local or non-United States jurisdiction or under any applicable tax treaty and does not consider any aspects of United States federal tax law other than income taxation. This summary deals only with Shares held as capital assets within the meaning of Section 1221 of the United States Internal Revenue Code of 1986, as amended (the “Code”) (generally, property held for investment), and does not address tax considerations applicable to any holder of Shares that may be subject to special treatment under the United States federal income tax laws, including:

- a bank or other financial institution;
- a tax-exempt organization;
- a retirement plan or other tax-deferred account;
- a partnership, an S corporation or other pass-through entity (or an investor in a partnership, S corporation or other pass-through entity);
- an insurance company;
- a mutual fund;
- a real estate investment trust;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder of Shares subject to the alternative minimum tax provisions of the Code;
- a holder of Shares that received the Shares through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
- a person that has a functional currency other than the United States dollar;
- a person that holds the Shares as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or
- a United States expatriate.

If a partnership (including any entity or arrangement treated as a partnership for United States federal income tax purposes) holds Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partner and the partnership. Partners in a partnership holding Shares should consult their own tax advisors regarding the tax consequences of exchanging the Shares pursuant to the Offer.

This summary is based on the Code, the Treasury regulations promulgated under the Code, and administrative rulings and judicial decisions, all as in effect as of the date of this Offer to Purchase, and all of which are subject to change or differing interpretations at any time, with possible retroactive effect. We have not sought, and do not intend to seek, any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and no assurance can be given that the IRS will agree with the views expressed herein, or that a court will not sustain any challenge by the IRS in the event of litigation.

**The discussion set out herein is intended only as a summary of the material United States federal income tax consequences to a holder of Shares. We urge you to consult your own tax advisor with respect to the specific tax consequences to you in connection with the Offer in light of your own particular circumstances, including federal estate, gift and other non-income tax consequences, and tax consequences under state, local or non-United States tax laws.**

### *United States Holders*

For purposes of this discussion, the term “United States Holder” means a beneficial owner of Shares that is, for United States federal income tax purposes:

- a citizen or resident of the United States;

- a corporation (or any other entity or arrangement treated as a corporation for United States federal income tax purposes) organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust or (ii) the trust has validly elected to be treated as a “United States person” under applicable Treasury regulations.

#### *Payments with Respect to Shares*

The exchange of Shares for cash pursuant to the Offer will be a taxable transaction for United States federal income tax purposes, and a United States Holder who receives cash for Shares pursuant to the Offer will recognize gain or loss, if any, equal to the difference between the amount of cash received and the holder's adjusted tax basis in the Shares exchanged therefor. Gain or loss will be determined separately for each block of Shares (i.e., Shares acquired at the same cost in a single transaction). Such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if such United States Holder's holding period for the Shares is more than one year at the time of the exchange. Long-term capital gain recognized by certain non-corporate holders generally is subject to tax at a lower rate than short-term capital gain or ordinary income. There are limitations on the deductibility of capital losses.

#### *Backup Withholding Tax*

Proceeds from the exchange of Shares pursuant to the Offer generally will be subject to backup withholding tax at the applicable rate (currently 24%) unless the applicable United States Holder or other payee provides a valid taxpayer identification number and complies with certain certification procedures (generally, by providing a properly completed IRS Form W-9) or otherwise establishes an exemption from backup withholding tax. Any amounts withheld under the backup withholding tax rules from a payment to a United States Holder will be allowed as a credit against that holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS. Each United States Holder should complete and sign the IRS Form W-9, which will be included with the Letter of Transmittal to be returned to the Depository, to provide the information and certification necessary to avoid backup withholding, unless an exemption applies and is established in a manner satisfactory to the Depository. See Section 3 — “Procedures for Tendering Shares.”

#### *Additional Medicare Tax on Unearned Income*

Certain United States Holders, including individuals, estates and trusts, will be subject to an additional 3.8% Medicare tax on unearned income. For individual United States holders, the additional Medicare tax applies to the lesser of (i) “net investment income,” or (ii) the excess of “modified adjusted gross income” over \$200,000 (\$250,000 if married and filing jointly or \$125,000 if married and filing separately). “Net investment income” generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents, and capital gains. You are urged to consult your own tax advisor regarding the implications of the additional Medicare tax resulting from exchanging Shares pursuant to the Offer.

#### *Non-United States Holders*

The following is a summary of the material United States federal income tax consequences that will apply to you if you are a non-United States Holder of Shares. The term “non-United States Holder” means a beneficial owner of Shares that is:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

The following discussion applies only to non-United States Holders, and assumes that no item of income, gain, deduction or loss derived by the non-United States Holder in respect of Shares at any time is effectively

connected with the conduct of a United States trade or business. Special rules, not discussed herein, may apply to certain non-United States Holders, such as:

- certain former citizens or residents of the United States;
- controlled foreign corporations;
- passive foreign investment companies;
- corporations that accumulate earnings to avoid United States federal income tax;
- investors in pass-through entities that are subject to special treatment under the Code; and
- non-United States Holders that are engaged in the conduct of a United States trade or business.

#### *Payments with Respect to Shares*

Payments made to a non-United States Holder with respect to Shares exchanged for cash pursuant to the Offer generally will be exempt from United States federal income tax. However, if the non-United States Holder is an individual who was present in the United States for 183 days or more in the taxable year of the exchange and certain other conditions are met, such holder will be subject to tax at a flat rate of 30% (or such lower rate as may be specified under an applicable income tax treaty) on any gain from the exchange of the Shares, net of applicable United States-source losses from sales or exchanges of other capital assets recognized by the holder during the taxable year.

#### *Backup Withholding Tax*

A non-United States Holder may be subject to backup withholding tax with respect to the proceeds from the disposition of Shares pursuant to the Offer unless, generally, the non-United States Holder certifies under penalties of perjury on an applicable IRS Form W-8 that such non-United States Holder is not a United States person, or such non-United States Holder otherwise establishes an exemption in a manner satisfactory to the Depository. Each non-United States Holder should complete, sign and provide to the Depository an applicable IRS Form W-8 to provide the information and certification necessary to avoid backup withholding, unless an exemption applies and is established in a manner satisfactory to the Depository.

Any amounts withheld under the backup withholding tax rules will be allowed as a refund or a credit against the non-United States Holder's United States federal income tax liability, provided the required information is furnished to the IRS.

**The foregoing summary does not discuss all aspects of United States federal income taxation that may be relevant to particular holders of Shares. Holders of Shares should consult their own tax advisors as to the particular tax consequences to them of tendering their Shares for cash pursuant to the Offer under any federal, state, local, foreign or other tax laws.**

#### **6. Price Range of Shares; Dividends.**

According to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (the "2019 Form 10-K"), the Shares are listed and traded on NASDAQ under the symbol "FB". The following table sets forth, for the periods indicated, the reported high and low intraday sale prices for the Shares on NASDAQ, as reported by NASDAQ, as reported by the Company in its public filings with the SEC. The Company currently does not pay, and in the two most recent fiscal years and subsequent interim periods has not paid, any dividend with respect to the Shares.

	<u>Capital Stock</u>	
	<u>High</u>	<u>Low</u>
<b>Fiscal Year Ending 2019</b>		
First Quarter.....	174.30	128.56
Second Quarter .....	198.88	160.84
Third Quarter .....	208.66	175.66
Fourth Quarter .....	208.93	173.09

<b>Fiscal Year Ending 2020</b>		
First Quarter .....	224.20	137.10
Second Quarter .....	245.19	150.83
Third Quarter .....	304.67	226.90
Fourth Quarter .....	297.38	254.82
<b>Fiscal Year Ending 2021</b>		
First Quarter (through February 26, 2021).....	286.79	244.61

On February 26, 2021, the last full trading day prior to the date of the Offer, the reported closing price of the Shares on NASDAQ was \$257.62 per Share. The Offer Price of \$290.00 represents an approximately 12.57% premium to the closing price of the Shares on February 26, 2021. **STOCKHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE SHARES.** The Offer is conditioned upon the closing price of the Shares on NASDAQ on the last full trading day prior to the expiration date of the Offer (as the same may be extended) exceeding the Offer Price.

## 7. Certain Information Concerning the Company.

Except as specifically set forth herein, the information concerning Facebook contained in this Offer to Purchase has been taken from or is based upon publicly available documents and records on file with the SEC and other public sources. The information set forth below is qualified in its entirety by reference to Facebook’s public filings with the SEC (which may be obtained and inspected as described below) and should be considered in conjunction with the more comprehensive financial and other information in such reports and other publicly available information. We have no knowledge that would indicate that any statements contained herein based on such documents and records are untrue. However, we do not assume any responsibility for the accuracy or completeness of the information concerning Facebook contained in such documents and records, or for any failure by Facebook to disclose events which may have occurred or which may affect the significance or accuracy of any such information but which are unknown to us.

The following description of the Company and its business has been taken from the 2019 Form 10-K and is qualified in its entirety by reference to the 2019 Form 10-K. Stockholders are urged to read the 2019 Form 10-K and Facebook’s other public filings with the SEC for additional and more complete information about Facebook.

**General.** Facebook’s mission is to give people the power to build community and bring the world closer together.

Facebook builds useful and engaging products that enable people to connect and share with friends and family through mobile devices, personal computers, virtual reality headsets, and in-home devices. The Company also helps people discover and learn about what is going on in the world around them, enable people to share their opinions, ideas, photos and videos, and other activities with audiences ranging from their closest family members and friends to the public at large, and stay connected everywhere by accessing the Company’s products, including:

- **Facebook.** Facebook enables people to connect, share, discover, and communicate with each other on mobile devices and personal computers. There are a number of different ways to engage with people on Facebook and build community, including Facebook News Feed, Stories, Groups, Shops, Marketplace, News, and Watch.
- **Instagram.** Instagram brings people closer to the people and things they love. It is a place where people can express themselves through photos, videos, and private messaging, and connect with and shop from their favorite businesses and creators. They can do this through Instagram Feed, Stories, Reels, IGTV, Live, Shops, and messaging.
- **Messenger.** Messenger is a simple yet powerful messaging application for people to connect with friends, family, groups, and businesses across platforms and devices through chat, video, and Rooms.
- **WhatsApp.** WhatsApp is a simple, reliable, and secure messaging application that is used by people and businesses around the world to communicate and transact in a private way.



- **Facebook Reality Labs.** Facebook Reality Labs' augmented and virtual reality products help people feel connected, anytime, anywhere. Oculus Quest lets people defy distance with cutting-edge virtual reality (VR) hardware, software, and content, while Portal helps friends and families stay connected and share the moments that matter in meaningful ways.

Facebook generates substantially all of its revenue from selling advertising placements to marketers. The Company's ads enable marketers to reach people based on a variety of factors including age, gender, location, interests, and behaviors. Marketers purchase ads that can appear in multiple places including on Facebook, Instagram, Messenger, and third-party applications and websites.

**Available Information.** The Company is subject to the information reporting requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Such reports, proxy statements and other information are available for inspection at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call (800) SEC-0330 for further information on the public reference room. Copies of such information may be obtainable by mail, upon payment of the SEC's customary charges, by writing the SEC at the address above. The SEC also maintains a website on the Internet at <http://www.sec.gov> that contains reports, proxy statements and other information regarding registrants, including the Company, that file electronically with the SEC.

**Sources of Information.** Except as otherwise set forth herein, the information concerning the Company and its business has been taken from Facebook's Annual Report on Form 10-K for its fiscal year ended December 31, 2019, publicly available documents and records on file with the SEC and other public sources and is qualified in its entirety by such records. Although we have no knowledge that any such information contains any misstatements or omissions, neither Purchaser nor any of its affiliates or assigns assumes responsibility for the accuracy or completeness of the information concerning the Company contained in those documents and records or for any failure by the Company to disclose events which may have occurred or may affect the significance or accuracy of any such information.

## **8. Certain Information Concerning Purchaser.**

Purchaser is a private investment company that specializes in investing in publicly traded securities whose value it expects to appreciate over a 12-month period. Purchaser executes extensive due diligence to identify securities that it believes are undervalued. Purchaser is a Delaware limited liability company, its principal office is located at 8 The Green Suite A, Dover, Delaware 19901 and its telephone number is (888) 519-8569. Purchaser is a privately held entity and, as such, is generally not subject to the information filing requirements of the Exchange Act or required to file reports, proxy statements and other information with the SEC relating to its business, financial condition or otherwise.

As of the date of this Offer to Purchase, neither Purchaser nor any affiliate thereof beneficially owns any Shares.

None of Purchaser, nor to the knowledge of Purchaser after reasonable inquiry, any person controlling Purchaser, has during the last five years been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws or a finding of any violation of U.S. federal or state securities laws.

Except as otherwise disclosed herein, none of Purchaser nor, to the knowledge of Purchaser after reasonable inquiry, any person controlling Purchaser or any associate of Purchaser or any of the persons so listed beneficially owns or has a right to acquire any Shares or any other equity security of the Company. None of Purchaser nor, to the knowledge of Purchaser after reasonable inquiry, any person controlling Purchaser or any associate of Purchaser or any of the persons so listed has effected any transaction in the Shares or any other equity securities of the Company during the 60 days prior to the date of this Offer to Purchase. During the two years prior to the date of this Offer to Purchase, there have been no transactions between Purchaser or, to the knowledge of Purchaser after reasonable

inquiry, any person controlling Purchaser, on the one hand, and the Company or any of its executive officers, directors or affiliates, on the other hand, that would require reporting under the rules and regulations of the SEC. During the two years prior to the date of this Offer to Purchase, there have been no negotiations, transactions or material contacts between Purchaser or, to the knowledge of Purchaser after reasonable inquiry, any person controlling Purchaser, on the one hand, and the Company or any of its affiliates, on the other hand, concerning a tender offer or other acquisition of any class of the Company's securities, an election of directors of the Company, or sale or other transfer of a material amount of assets of the Company. There is no present or proposed material agreement, arrangement, understanding or relationship between Purchaser or, to the knowledge of Purchaser after reasonable inquiry, any person controlling Purchaser, on the one hand, and the Company or any of its executive officers, directors, controlling persons or subsidiaries, on the other hand.

Neither Purchaser nor, to the knowledge of Purchaser after reasonable inquiry, any person controlling Purchaser, has any agreement, arrangement or understanding, whether or not legally enforceable, with any other person with respect to any securities of the Company, including, but not limited to, the transfer or voting of such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or the giving or withholding of proxies, consents or authorizations. Purchaser is seeking to acquire the Shares pursuant to the Offer solely for investment purposes. Purchaser has no present intention to seek control of the Company or to change the management or operations of the Company.

#### **9. Financing of the Offer.**

The Offer is conditioned upon receipt by Purchaser of all financing necessary to fund Purchaser's financial obligations arising from the Offer, including its purchase of Shares tendered into the Offer. Purchaser plans to obtain the necessary funds through available cash on hand and through proceeds of debt financing in an amount necessary to consummate the transactions contemplated by the Offer on terms satisfactory to Purchaser in its reasonable discretion.

Purchaser has had preliminary discussions with third-party financing sources with respect to its contemplated debt financing and expects to pledge the Shares acquired in the Offer as collateral for any such debt. Purchaser's ability to consummate any debt financing is contingent upon the negotiation and execution of definitive financing agreements on terms reasonably satisfactory to the lender(s) and Purchaser. Any final loan agreement is expected to contain customary representations and warranties, covenants and conditions. Purchaser does not expect to be able to obtain the financing necessary to fund its financial obligations arising from the Offer (including its purchase of Shares tendered into the Offer) unless the closing price of the Company's Class A common stock on NASDAQ on the last full trading day prior to the Expiration Date (as the same may be extended) exceeds the Offer Price.

#### **10. Certain Effects of the Offer.**

*Possible Effects of the Offer on the Market for the Shares.* Facebook stockholders who do not tender their Shares pursuant to the Offer will continue to be owners of Facebook. As a result, such stockholders will continue to participate in the future performance of IBMFacebook and to bear the attendant risks associated with owning Shares. Although the purchase of Shares under the Offer may reduce the total number of stockholders, we believe that the purchase of Shares will not adversely affect the liquidity or value of the Shares. The purchase of Shares pursuant to the Offer will not reduce the number of Shares that might otherwise trade publicly. After completion of the Offer, stockholders who do not tender their Shares pursuant to the Offer may be able to sell their Shares on NASDAQ or otherwise at a net price higher or lower than the purchase price in the Offer. We can give no assurance, however, as to the price at which a stockholder may be able to sell his or her Shares in the future. On the other hand, Shares tendered and accepted for payment and paid for will no longer entitle the former owners to participate in the performance of the Company as evidenced by any Share price appreciation (or depreciation) and any payment of dividends and distributions on the Shares.

*Stock Exchange Listing.* The Shares are listed on NASDAQ. Based upon the published guidelines of NASDAQ, we do not believe that our purchase of Shares under the Offer will cause the Shares to no longer be eligible to be traded on NASDAQ.

*Margin Regulations.* The Shares are currently "margin securities" under the Regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among other things, of allowing brokers to extend credit based on the use of Shares as collateral. Depending upon factors such as the

number of record holders of Shares and the number and market value of publicly held Shares, following the purchase of Shares pursuant to the Offer, it is likely that the Shares will continue to constitute “margin securities” for purposes of the Federal Reserve Board’s margin regulations and, therefore, still permitted to be used as collateral for loans made by brokers. Purchaser does not express any opinion with respect to the matters described in this paragraph.

*Exchange Act Registration.* The Shares are currently registered under the Exchange Act, which requires, among other things, that the Company furnish specific information to its stockholders and the SEC and comply with the SEC’s proxy rules in connection with the meeting of its stockholders. We believe that our purchase of Shares pursuant to the Offer will not result in the Shares becoming eligible for deregistration under the Exchange Act. As a result, there will be no reduction in the information required to be furnished by the Company to holders of Shares and to the SEC.

## **11. Dividends and Distributions.**

If, on or after the date of this Offer to Purchase, the Company should (i) split, combine or otherwise change the Shares or its capitalization, (ii) acquire or otherwise cause a reduction in the number of outstanding Shares or other securities, or (iii) issue or sell additional Shares (other than the issuance of Shares under options or other equity awards (such as restricted stock units, restricted stock, performance shares, stock bonus or other types of stock awards) granted prior to the date of this Offer to Purchase, in each case in accordance with the terms of those options or other equity awards, as publicly disclosed prior to the date of this Offer to Purchase), shares of any other class of capital stock, other voting securities or any securities convertible into or exchangeable for, or rights, warrants or options, conditional or otherwise, to acquire any of the foregoing, then, subject to the provisions of Section 12 — “Certain Conditions of the Offer,” Purchaser, in its sole discretion, may make such adjustments as it deems appropriate in the Offer Price and other terms of the Offer, including, without limitation, the number or type of securities offered to be purchased.

If, on or after March 1, 2021, the Company declares or pays any cash dividend on the Shares or other distribution on the Shares, or issues with respect to the Shares any additional Shares, shares of any other class of capital stock, other voting securities or any securities convertible into or exchangeable for, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, payable or distributable to stockholders of record on a date prior to the transfer of the Shares purchased under the Offer to Purchase or its nominee or transferee on the Company’s stock transfer records, then, subject to the provisions of Section 12 — “Certain Conditions of the Offer,” (a) the Offer Price will be reduced by the amount of any such cash dividend or distribution and (b) the whole of any such non-cash dividend, distribution or issuance to be received by the tendering stockholders will (1) be received and held by the tendering stockholders for the account of Purchaser and will be required to be promptly remitted and transferred by each tendering stockholder to the Depositary for the account of Purchaser, accompanied by appropriate documentation of transfer, or (2) be exercised for the benefit of Purchaser, in which case the proceeds of that exercise will promptly be remitted to Purchaser. Pending such remittance and subject to applicable law, Purchaser will be entitled to all rights and privileges as owner of any such non-cash dividend, distribution, issuance or proceeds and may withhold the entire Offer Price or deduct from the Offer Price the amount or value thereof, as determined by Purchaser in its sole discretion.

## **12. Certain Conditions of the Offer.**

Notwithstanding any other provisions of the Offer, Purchaser shall not be required to accept for payment, purchase or pay for any Shares tendered, subject to any applicable rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act (relating to Purchaser’s obligation to pay for or return tendered Shares promptly after termination or withdrawal of the Offer), and may delay the acceptance for payment of, and accordingly the payment for, any tendered Shares and may terminate or amend the Offer, if, in the reasonable judgment of Purchaser at any time on or after the date of this Offer to Purchase and before the Expiration Date (as the same may be extended), any of the following events shall occur or have occurred:

(a) there shall be threatened, instituted or pending any action or proceeding by any government or governmental authority or agency, domestic, foreign or supranational, or by any other person, domestic, foreign or supranational, (1)(A) challenging or seeking to make illegal, to delay or otherwise directly or indirectly to restrain or prohibit the making of the Offer or the acceptance for payment of, or payment for, some or all of the Shares by Purchaser, (B)

seeking to obtain damages in connection therewith, or (C) otherwise directly or indirectly relating to the transactions contemplated by the Offer, (2) seeking to impose or confirm limitations on the ability of Purchaser to exercise full rights of ownership of any Shares acquired pursuant to the Offer, including, without limitation, the right to vote any such Shares on all matters properly presented to the Company's stockholders, (3) seeking to require divestiture by Purchaser of any Shares, (4) which otherwise, in the reasonable judgment of Purchaser, might materially adversely affect Purchaser or the value of the Shares, (5) in the reasonable judgment of Purchaser, materially adversely affecting the businesses, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses or franchises, results of operations or prospects of the Company and its subsidiaries, or (6) adversely affecting the financing for the Offer, including Purchaser's ability to obtain such financing;

(b) there shall be any action taken or any statute, rule, regulation, interpretation, judgment, order or injunction proposed, enacted, enforced, promulgated, amended, issued or deemed applicable (1) to Purchaser or (2) to the Offer, by any court, government or governmental, administrative or regulatory authority or agency, domestic, foreign or supranational, which, in the reasonable judgment of Purchaser, might directly or indirectly result in any of the consequences referred to in clauses (1) through (6) of paragraph (a) above;

(c) since the date of this Offer to Purchase, any change (or any condition, event or development involving a prospective change) shall have occurred or been threatened in the businesses, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, intellectual property, franchises, permits, permit applications, results of operations or prospects of the Company and its subsidiaries, which, in the reasonable judgment of Purchaser, is or may be materially adverse to, or Purchaser shall have become aware of any fact which, in the reasonable judgment of Purchaser, has or may have material adverse significance with respect to, either the value of the Company and its subsidiaries or the value of the Shares to Purchaser;

(d) there shall have occurred (1) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States (other than a shortening of trading hours or any coordinated trading halt triggered solely as a result of a specified increase or decrease in a market index), (2) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the United States, Canada, the European Union or elsewhere, (3) the nationalization, insolvency or placement into receivership of, or provision of extraordinary assistance to, any major bank in the United States, Canada, the European Union or elsewhere, or the taking of possession of any such bank by a governmental or regulatory authority, (4) the nationalization, insolvency or placement into receivership of, or provision of extraordinary assistance to, any major bank in the United States, Canada, the European Union or elsewhere, or the taking of possession of any such bank by a governmental or regulatory authority, (5) the default by the United States, Canada or any member of the European Union in payment of, or the inability of any such person to pay, any of its debts as they become due or the withdrawal (or announcement of an intent to withdraw) by any member of the European Economic and Monetary Union therefrom or any such member otherwise ceasing (or announcing its intent to cease) to maintain the Euro as its official currency, (6) any limitation (whether or not mandatory) by any governmental authority or agency on, or other event which, in the reasonable judgment of Purchaser, might materially adversely affect the extension of credit by banks or other lending institutions, (7) the commencement or escalation of a war, armed hostilities or other national or international calamity directly or indirectly involving the United States or any other jurisdictions in which the Company and its subsidiaries do business, or any attack on, or outbreak or act of terrorism involving, the United States or any such other jurisdiction, (8) a material change (or development or threatened development involving a prospective material change) in United States dollar or any other currency exchange rates or a suspension of, or limitation on, the markets therefor, (9) any change in the general political, market, economic or financial conditions in the United States or other jurisdictions in which the Company and its subsidiaries do business that could, in the reasonable judgment of Purchaser, have a material adverse effect on the businesses, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses or franchises, results of operations or prospects of the Company and its subsidiaries, or the trading in, or value of, the Shares, (10) any material adverse change (or development or threatened development involving a prospective material change) in interest rates, or (11) in the case of any of the foregoing existing as of the close of business on February 26, 2021, a material acceleration or worsening thereof;

(e) the Company or any of its subsidiaries or other affiliates shall have (1) split, combined or otherwise changed, or authorized or proposed the split, combination or other change, of the Shares or its capitalization, (2) acquired or otherwise caused a reduction in the number of, or authorized or proposed the acquisition or other reduction in the

number of, any presently outstanding Shares or other securities or other equity interests, (3) issued, pledged, distributed or sold, or authorized or proposed the issuance, pledge, distribution or sale of, additional Shares, other than Shares issued or sold upon the exercise or conversion (in accordance with the publicly disclosed terms thereof) of employee stock options or other equity awards denominated in Shares, such as restricted stock units, restricted stock performance shares, stock bonus or other types of stock awards, in each case outstanding on the date of this Offer to Purchase or issued since that date in the ordinary course of business consistent with past practice, shares of any other class of capital stock or other equity interests, other voting securities, debt securities or any securities convertible into, or rights, warrants or options, conditional or otherwise, to acquire, any of the foregoing, (4) permitted the issuance or sale of any shares of any class of capital stock or other securities of any subsidiary, (5) declared, paid or proposed to declare or pay any cash dividend or other distribution on any shares of capital stock of the Company (except for regular quarterly cash dividends on the Shares having customary and usual record dates and payment dates), (6) altered or proposed to alter any material term of any outstanding security or material contract, permit or license, (7) authorized or incurred any debt otherwise than in the ordinary course of business or any debt containing, in the reasonable judgment of Purchaser, burdensome covenants or security provisions, (8) authorized, recommended, proposed or entered into an agreement, agreement in principle, arrangement or understanding with respect to any merger, consolidation, recapitalization, liquidation, dissolution, business combination, acquisition of assets, disposition of assets, release or relinquishment of any material contractual or other right of the Company or any of its subsidiaries or any comparable event not in the ordinary course of business, (9) acquired or authorized, recommended, proposed or entered into, or announced its intention to authorize, recommend, propose or enter into, any agreement, agreement in principle or arrangement or understanding with any person or group that, in Purchaser's sole opinion, could adversely affect either the value of the Company and its subsidiaries or the value of the Shares to Purchaser, (10) other than in the ordinary course of business, adopted, established or entered into any new employment, change in control, severance, executive compensation or similar agreement, arrangement or plan with or for one or more of its employees, consultants or directors, or entered into or amended, or made grants or awards pursuant to, any agreements, arrangements or plans so as to provide for increased or accelerated benefits to one or more employees, consultants or directors, (11) except as may be required by law, taken any action to terminate or amend any employee benefit plan (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended) of the Company or any of its subsidiaries, or Purchaser shall have become aware of any such action that was not disclosed in publicly available filings prior to the date of this Offer to Purchase, (12) transferred into escrow any amounts required to fund any existing benefit, employment, employee or severance agreement with any employees of the Company and its subsidiaries, other than in the ordinary course of business and consistent with past practice, (13) amended or authorized or proposed any amendment to its certificate of incorporation or bylaws or similar organizational documents, or (14) agreed in writing or otherwise to take any of the foregoing actions or Purchaser shall have learned about any such action taken prior to the date of this Offer to Purchase which had not previously been publicly disclosed by the Company and also set forth in filings with the SEC;

(f) a tender or exchange offer for any Shares shall be made or publicly proposed to be made by any other person (including the Company or any of its subsidiaries or affiliates) or Purchaser shall otherwise learn that (1) any person, entity (including the Company or any of its subsidiaries) or "group" (within the meaning of Section 13(d)(3) of the Exchange Act) shall have acquired or proposed to acquire beneficial ownership of more than 5% of any class or series of capital stock of the Company (including the Shares), through the acquisition of stock, the formation of a group or otherwise, or shall have been granted any right, option or warrant, conditional or otherwise, to acquire beneficial ownership of more than 5% of any class or series of capital stock of the Company (including the Shares), other than acquisitions for bona fide arbitrage purposes only and except as disclosed in a Schedule 13D or Schedule 13G on file with the SEC on the date of this Offer to Purchase, (2) any such person, entity or group, which before the date of this Offer to Purchase had filed such a Schedule with the SEC has acquired or proposes to acquire, through the acquisition of stock, the formation of a group or otherwise, beneficial ownership of an additional 1% or more of any class or series of capital stock of the Company (including the Shares), or shall have been granted any right, option or warrant, conditional or otherwise, to acquire beneficial ownership of an additional 1% or more of any class or series of capital stock of the Company (including the Shares), (3) any person or group shall enter into a definitive agreement or an agreement in principle or make a proposal with respect to a tender offer or exchange offer or a merger, consolidation or other business combination with or involving the Company, or (4) any person shall file a Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or make a public announcement, reflecting an intent to acquire the Company or any of its subsidiaries, or any assets or securities of the Company or its subsidiaries;

(g) the Company or any of its subsidiaries shall have (i) granted to any person proposing a merger or any other business combination with or involving the Company or any of its subsidiaries or the purchase of securities or assets of the Company or any of its subsidiaries any type of option, warrant or right which, in Purchaser's reasonable judgment, constitutes a "lock-up" device (including, without limitation, a right to acquire or receive any Shares or other securities, assets or business of the Company or any of its subsidiaries), or (ii) paid or agreed to pay any cash or other consideration to any party in connection with or in any way related to any such business combination or purchase;

(h) legislation amending the Code has been passed by either the U.S. House of Representatives or the Senate or becomes pending before the U.S. House of Representatives or the Senate, or any committee thereof, the effect of which, in Purchaser's reasonable judgment, would be to change the tax consequences of the transactions contemplated by the Offer in any manner that would adversely affect the purchase of the Shares by Purchaser;

(i) (1) any material contractual right of the Company or any of its subsidiaries or affiliates shall be impaired or otherwise adversely affected or any material amount of indebtedness of the Company and its subsidiaries shall become accelerated or otherwise become due before its stated due date, in either case, with or without notice or the lapse of time or both, as a result of the transactions contemplated by the Offer, or (2) there shall be any covenant, term or condition in any of the Company's or any of its subsidiaries' or other affiliates' instruments, licenses or agreements that, in the reasonable judgment of Purchaser, may have a material adverse effect on (A) the businesses, properties, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses, intellectual property or franchises, results of operations or prospects of the Company and its subsidiaries, or (B) the value of the Shares in the hands of Purchaser, including, but not limited to, any event of default that may ensue as a result of the consummation of the Offer;

(j) any approval, permit, authorization, consent or other action or non-action of any domestic, foreign or supranational governmental, administrative or regulatory agency, authority, tribunal or third party, shall not have been obtained on terms satisfactory to Purchaser, in its reasonable discretion;

(k) Purchaser has been unable to enter into a credit facility satisfactory to Purchaser in its reasonable discretion and receive the proceeds thereof to provide the financing necessary to fund Purchaser's obligations arising from the Offer, including as a result of the closing price of the Shares on NASDAQ as of the last full trading day prior to the Expiration Date (as the same may be extended) not sufficiently exceeding the Offer Price (See Section 9 — "Financing of the Offer");

(l) any document filed by or on behalf of the Company with the SEC shall contain an untrue statement of a material fact or omit a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; or

(m) (1) the closing price of the Shares on NASDAQ on the last full trading day prior to the Expiration Date (as the same may be extended) shall not exceed the Offer Price, or (2) there shall have occurred (A) any decrease in the market price of the Shares, (B) any decline in either the Dow Jones Industrial Average or the Standard and Poor's 500 Index or the NYSE Composite Index or the NASDAQ Composite Index or the NASDAQ Global Market Composite Index or the NASDAQ Global Select Market Composite Index or the Capital Markets Index or the MarketGrader 100 Index or the MarketGrader 40 Index or the MarketGrader Large Cap 100 Index by an amount in excess of 10% measured from the close of trading on February 26, 2021, (C) any credit ratings agency shall have downgraded or withdrawn the rating accorded the Company or any of its debt or equity securities or publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Company or any of its debt or equity securities, or (D) any increase in the interest rate, distribution rate or other change in the terms for debt security offerings in the United States, which, in the reasonable judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Purchaser) giving rise to any such condition, makes it inadvisable to proceed with the Offer and/or with such acceptance for payment or payment.

The foregoing conditions are for the sole benefit of Purchaser and may be asserted by Purchaser, regardless of the circumstances (including any action or omission by Purchaser) giving rise to any such conditions, or may be waived by Purchaser, in its sole discretion, in whole or in part, at any time and from time to time. The failure by Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right, each such right shall be deemed an ongoing right which may be asserted at any time and from time to time and the waiver of any

such right in one instance shall not be deemed a waiver with respect to any other instance. Any determination by Purchaser concerning any condition or event described in this Section 12 shall be final and binding upon all parties.

Purchaser believes that the Shares are undervalued. As of the date of this Offer to Purchase, Purchaser expects to extend the Offer for successive periods of 45 to 180 days until the market price of the Shares exceeds the Offer Price, and expects to terminate or amend the Offer if the market price of the Shares does not reach such value within one year from the date of this Offer to Purchase.

### **13. Certain Legal Matters and Regulatory Approvals.**

*General.* Based upon its examination of publicly available information filed by the Company with the SEC and other publicly available information concerning the Company, Purchaser is not aware of any (i) license or other regulatory permit that appears to be material to the business of the Company and its subsidiaries, taken as a whole, which might be adversely affected by the acquisition of Shares by Purchaser pursuant to the Offer or (ii) approval or other action by any domestic (federal or state) or foreign governmental entity which would be required prior to the acquisition of Shares by Purchaser pursuant to the Offer. Should any such approval or other action be required, it is Purchaser's present intention to seek such approval or action (subject to Purchaser's right to decline to purchase Shares if any of the conditions in Section 12 shall not be satisfied). There can be no assurance that any such approval or other action, if needed, would be obtained. See Section 12 for a description of certain conditions of the Offer.

*State Takeover Laws.* A number of states (including Delaware, where the Company is incorporated) have adopted takeover laws and regulations which purport, to varying degrees, to be applicable to attempts to acquire securities of corporations which are incorporated in such states or which have substantial assets, stockholders, principal executive offices or principal places of business therein.

As a Delaware corporation, the Company is subject to Section 203 of the Delaware General Corporation Law (the "DGCL"). In general, Section 203 of the DGCL prevents an "interested stockholder" (generally a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock) from engaging in a "business combination" (as defined in Section 203) with a Delaware corporation for a period of three years following the date such person became an interested stockholder of the corporation unless: (i) before such person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder, (ii) upon consummation of the transaction which resulted in the interested stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding for purposes of determining the number of shares of outstanding stock held by directors who are also officers and by employee stock plans that do not allow plan participants to determine confidentially whether to tender shares), or (iii) following the transaction in which such person became an interested stockholder, the business combination is (a) approved by the board of directors of the corporation and (b) authorized at a meeting of stockholders by the affirmative vote of the holders of at least 66-2/3% of the outstanding voting stock of the corporation not owned by the interested stockholder. Purchaser presently is not an "interested stockholder" with respect to the Company and Purchaser would not become an "interested stockholder" with respect to the Company if it consummates the Offer. The foregoing description of the DGCL does not purport to be complete and is qualified in its entirety by reference to the provisions of the DGCL.

Purchaser has not attempted to comply with any other state takeover statute or regulation in connection with the Offer. Purchaser reserves the right to challenge the applicability or validity of any state law purportedly applicable to the Offer and nothing in this Offer to Purchase or any action taken in connection with the Offer is intended as a waiver of such right. If it is asserted that any state takeover statute is applicable to the Offer and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer, Purchaser might be required to file certain information with, or to receive approvals from, the relevant state authorities, and Purchaser might be unable to accept for payment or pay for Shares tendered pursuant to the Offer, or be delayed in consummating the Offer. In such case, Purchaser may not be obligated to accept payment or pay for any Shares tendered pursuant to the Offer. See Section 12 — "Certain Conditions of the Offer."

*Antitrust Compliance.* We believe that no regulatory filings are required to consummate the Offer in compliance with any antitrust laws.

*Appraisal Rights.* There are no appraisal or dissenters' rights available in connection with the Offer.

#### **14. Fees and Expenses.**

Tutanota LLC has been retained to act as the Information Agent and the Depositary. Neither the Depositary nor the Information Agent has been retained to make solicitations or recommendations. The Information Agent may contact holders of Shares by mail, telephone, facsimile, e-mail and personal interview and may request banks, brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. Neither the Depositary nor the Information Agent will receive any compensation for their services, but they will be reimbursed for certain reasonable out-of-pocket expenses.

The Depositary is affiliated with Purchaser. Therefore, by virtue of this affiliation, the Depositary may have inherent conflicts of interest in acting as Depositary for the Offer. The Depositary's role is administrative only, however, and any conflict of interest would likely not be deemed material to stockholders.

Except as set forth below, we will not pay any fees or commissions to any broker, dealer or other person in connection with the solicitation of tenders of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by Purchaser for customary mailing and handling expenses incurred by them in forwarding offering materials to their customers.

#### **15. Solicitation Fees.**

Purchaser will pay to Soliciting Dealers (as defined below) designated by the beneficial owner of the Shares which are validly tendered and accepted pursuant to the Offer a solicitation fee of \$2.90 per Share tendered for cash, subject to certain conditions. "Soliciting Dealer" includes (i) any broker or dealer in securities who is a member of any national securities exchange or the Financial Industry Regulatory Authority ("FINRA"), or (ii) any commercial bank or trust company having an office, branch or agency in the United States, any of whom has solicited and obtained a tender pursuant to the Offer.

In order to receive a solicitation fee, the Soliciting Dealer must notify the Depositary within two NASDAQ trading days after the Expiration Date. No solicitation fee shall be payable to a Soliciting Dealer in respect of Shares (i) directly or indirectly owned by such Soliciting Dealer or (ii) registered in the name of such Soliciting Dealer unless such Shares are held by such Soliciting Dealer as nominee and such Shares are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal. No solicitation fee shall be payable to the Soliciting Dealer with respect to the tender of Shares by the holder of record, for the benefit of the beneficial owner, unless the beneficial owner has designated such Soliciting Dealer. For the avoidance of doubt, no solicitation fee will be paid with respect to any Shares that Purchaser does not accept for payment following the Expiration Date of the Offer, including as a result of any of the conditions of the Offer not being satisfied. See Section 12 — "Conditions of the Offer."

#### **16. Miscellaneous.**

The Offer is being made solely by this Offer to Purchase and the related Letter of Transmittal and is being made to holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of holders of) Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with any such state statute. If, after such good faith effort, Purchaser cannot comply with any such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, "blue sky" or other laws require the Offer to be made by a licensed broker or dealer, the Offer will be deemed to be made on behalf of Purchaser by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

No person has been authorized to give any information or make any representation on behalf of Purchaser or the Company not contained in this Offer to Purchase or in the Letter of Transmittal, and if given or made, such information or representation must not be relied upon as having been authorized.



Neither the delivery of the Offer to Purchase nor any purchase pursuant to the Offer will under any circumstances create any implication that there has been no change in the affairs of Purchaser, the Company or any of their respective subsidiaries since the date as of which information is furnished or the date of this Offer to Purchase.

References in this Offer to Purchase to “dollars” and “\$” are to the lawful currency of the United States of America, unless otherwise indicated or the context suggests otherwise.

TUTANOTA LLC

Dated: March 1, 2021

## **SCHEDULE I**

### **SHARES OF THE COMPANY BENEFICIALLY OWNED BY PURCHASER**

Neither Purchaser, any member of Purchaser nor any associate (as defined under the Exchange Act) or majority-owned subsidiary (as defined under the Exchange Act) of any such person beneficially owns any Shares.

Facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. The Letter of Transmittal and certificates for the Shares and any other required documents should be sent or delivered by each stockholder or his broker, dealer, commercial bank, trust company or other nominee to the Depositary at the address set forth below.

*The Depositary for the Offer is:*

Tutanota LLC  
8 The Green Suite A  
Dover, Delaware 19901

***By Mail, Hand, Overnight Courier***

Tutanota LLC  
8 The Green Suite A  
Dover, Delaware 19901

***Facsimile:***  
(302) 316-3720

***Telephone:***  
(888) 519-8569

***E-Mail:***  
contactagent@tutanota.com

Any questions regarding the Offer or requests for additional copies of the Offer to Purchase and the Letter of Transmittal may be directed to the Information Agent. A stockholder may also contact his broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

*The Information Agent for the Offer is:*

Tutanota LLC  
8 The Green Suite A  
Dover, Delaware 19901

***Facsimile:***  
(302) 316-3720

***Telephone:***  
(888) 519-8569

***E-Mail:***  
contactagent@tutanota.com