

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 28, 2024

or

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

For the transition period from _____ to _____.

Commission File Number: 001-36743



Apple Inc.

(Exact name of Registrant as specified in its charter)

California

(State or other jurisdiction
of incorporation or organization)

One Apple Park Way
Cupertino, California

(Address of principal executive offices)

94-2404110

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

95014

(Zip Code)

(408) 996-1010

(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	AAPL	The Nasdaq Stock Market LLC
0.000% Notes due 2025	—	The Nasdaq Stock Market LLC
0.875% Notes due 2025	—	The Nasdaq Stock Market LLC
1.625% Notes due 2026	—	The Nasdaq Stock Market LLC
2.000% Notes due 2027	—	The Nasdaq Stock Market LLC
1.375% Notes due 2029	—	The Nasdaq Stock Market LLC
3.050% Notes due 2029	—	The Nasdaq Stock Market LLC
0.500% Notes due 2031	—	The Nasdaq Stock Market LLC
3.600% Notes due 2042	—	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

15,022,073,000 shares of common stock were issued and outstanding as of January 17, 2025.

Apple Inc.
Form 10-Q
For the Fiscal Quarter Ended December 28, 2024
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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In millions, except number of shares, which are reflected in thousands, and per-share amounts)

	Three Months Ended	
	December 28, 2024	December 30, 2023
Net sales:		
Products	\$ 97,960	\$ 96,458
Services	26,340	23,117
Total net sales	124,300	119,575
Cost of sales:		
Products	59,447	58,440
Services	6,578	6,280
Total cost of sales	66,025	64,720
Gross margin	58,275	54,855
Operating expenses:		
Research and development	8,268	7,696
Selling, general and administrative	7,175	6,786
Total operating expenses	15,443	14,482
Operating income	42,832	40,373
Other income/(expense), net	(248)	(50)
Income before provision for income taxes	42,584	40,323
Provision for income taxes	6,254	6,407
Net income	\$ 36,330	\$ 33,916
Earnings per share:		
Basic	\$ 2.41	\$ 2.19
Diluted	\$ 2.40	\$ 2.18
Shares used in computing earnings per share:		
Basic	15,081,724	15,509,763
Diluted	15,150,865	15,576,641

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(In millions)

	Three Months Ended	
	December 28, 2024	December 30, 2023
Net income	\$ 36,330	\$ 33,916
Other comprehensive income/(loss):		
Change in foreign currency translation, net of tax	(625)	308
Change in unrealized gains/losses on derivative instruments, net of tax:		
Change in fair value of derivative instruments	1,651	(531)
Adjustment for net (gains)/losses realized and included in net income	784	(823)
Total change in unrealized gains/losses on derivative instruments	2,435	(1,354)
Change in unrealized gains/losses on marketable debt securities, net of tax:		
Change in fair value of marketable debt securities	(1,647)	3,045
Adjustment for net (gains)/losses realized and included in net income	220	75
Total change in unrealized gains/losses on marketable debt securities	(1,427)	3,120
Total other comprehensive income	383	2,074
Total comprehensive income	\$ 36,713	\$ 35,990

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In millions, except number of shares, which are reflected in thousands, and par value)

	December 28, 2024	September 28, 2024
ASSETS:		
Current assets:		
Cash and cash equivalents	\$ 30,299	\$ 29,943
Marketable securities	23,476	35,228
Accounts receivable, net	29,639	33,410
Vendor non-trade receivables	29,667	32,833
Inventories	6,911	7,286
Other current assets	13,248	14,287
Total current assets	133,240	152,987
Non-current assets:		
Marketable securities	87,593	91,479
Property, plant and equipment, net	46,069	45,680
Other non-current assets	77,183	74,834
Total non-current assets	210,845	211,993
Total assets	\$ 344,085	\$ 364,980
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	\$ 61,910	\$ 68,960
Other current liabilities	61,151	78,304
Deferred revenue	8,461	8,249
Commercial paper	1,995	9,967
Term debt	10,848	10,912
Total current liabilities	144,365	176,392
Non-current liabilities:		
Term debt	83,956	85,750
Other non-current liabilities	49,006	45,888
Total non-current liabilities	132,962	131,638
Total liabilities	277,327	308,030
Commitments and contingencies		
Shareholders' equity:		
Common stock and additional paid-in capital, \$0.00001 par value: 50,400,000 shares authorized; 15,040,731 and 15,116,786 shares issued and outstanding, respectively	84,768	83,276
Accumulated deficit	(11,221)	(19,154)
Accumulated other comprehensive loss	(6,789)	(7,172)
Total shareholders' equity	66,758	56,950
Total liabilities and shareholders' equity	\$ 344,085	\$ 364,980

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)
(In millions, except per-share amounts)

	Three Months Ended	
	December 28, 2024	December 30, 2023
Total shareholders' equity, beginning balances	\$ 56,950	\$ 62,146
Common stock and additional paid-in capital:		
Beginning balances	83,276	73,812
Common stock withheld related to net share settlement of equity awards	(1,891)	(1,660)
Share-based compensation	3,383	3,084
Ending balances	84,768	75,236
Retained earnings/(Accumulated deficit):		
Beginning balances	(19,154)	(214)
Net income	36,330	33,916
Dividends and dividend equivalents declared	(3,819)	(3,774)
Common stock withheld related to net share settlement of equity awards	(1,102)	(1,018)
Common stock repurchased	(23,476)	(20,668)
Ending balances	(11,221)	8,242
Accumulated other comprehensive loss:		
Beginning balances	(7,172)	(11,452)
Other comprehensive income	383	2,074
Ending balances	(6,789)	(9,378)
Total shareholders' equity, ending balances	\$ 66,758	\$ 74,100
Dividends and dividend equivalents declared per share or RSU	\$ 0.25	\$ 0.24

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Three Months Ended	
	December 28, 2024	December 30, 2023
Cash, cash equivalents, and restricted cash and cash equivalents, beginning balances	\$ 29,943	\$ 30,737
Operating activities:		
Net income	36,330	33,916
Adjustments to reconcile net income to cash generated by operating activities:		
Depreciation and amortization	3,080	2,848
Share-based compensation expense	3,286	2,997
Other	(2,009)	(989)
Changes in operating assets and liabilities:		
Accounts receivable, net	3,597	6,555
Vendor non-trade receivables	3,166	4,569
Inventories	215	(137)
Other current and non-current assets	939	(1,457)
Accounts payable	(6,671)	(4,542)
Other current and non-current liabilities	(11,998)	(3,865)
Cash generated by operating activities	<u>29,935</u>	<u>39,895</u>
Investing activities:		
Purchases of marketable securities	(6,124)	(9,780)
Proceeds from maturities of marketable securities	15,967	13,046
Proceeds from sales of marketable securities	3,492	1,337
Payments for acquisition of property, plant and equipment	(2,940)	(2,392)
Other	(603)	(284)
Cash generated by investing activities	<u>9,792</u>	<u>1,927</u>
Financing activities:		
Payments for taxes related to net share settlement of equity awards	(2,921)	(2,591)
Payments for dividends and dividend equivalents	(3,856)	(3,825)
Repurchases of common stock	(23,606)	(20,139)
Repayments of term debt	(1,009)	—
Repayments of commercial paper, net	(7,944)	(3,984)
Other	(35)	(46)
Cash used in financing activities	<u>(39,371)</u>	<u>(30,585)</u>
Increase in cash, cash equivalents, and restricted cash and cash equivalents	356	11,237
Cash, cash equivalents, and restricted cash and cash equivalents, ending balances	<u>\$ 30,299</u>	<u>\$ 41,974</u>
Supplemental cash flow disclosure:		
Cash paid for income taxes, net	\$ 18,651	\$ 7,255

See accompanying Notes to Condensed Consolidated Financial Statements.

Apple Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Summary of Significant Accounting Policies

Basis of Presentation and Preparation

The condensed consolidated financial statements include the accounts of Apple Inc. and its wholly owned subsidiaries (collectively “Apple” or the “Company”). In the opinion of the Company’s management, the condensed consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. The preparation of these condensed consolidated financial statements and accompanying notes in conformity with U.S. generally accepted accounting principles (“GAAP”) requires the use of management estimates. These condensed consolidated financial statements and accompanying notes should be read in conjunction with the Company’s annual consolidated financial statements and accompanying notes included in its Annual Report on Form 10-K for the fiscal year ended September 28, 2024 (the “2024 Form 10-K”).

The Company’s fiscal year is the 52- or 53-week period that ends on the last Saturday of September. An additional week is included in the first fiscal quarter every five or six years to realign the Company’s fiscal quarters with calendar quarters. The Company’s fiscal years 2025 and 2024 span 52 weeks each. Unless otherwise stated, references to particular years, quarters, months and periods refer to the Company’s fiscal years ended in September and the associated quarters, months and periods of those fiscal years.

Note 2 – Revenue

Net sales disaggregated by significant products and services for the three months ended December 28, 2024 and December 30, 2023 were as follows (in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
iPhone®	\$ 69,138	\$ 69,702
Mac®	8,987	7,780
iPad®	8,088	7,023
Wearables, Home and Accessories	11,747	11,953
Services	26,340	23,117
Total net sales	<u>\$ 124,300</u>	<u>\$ 119,575</u>

Total net sales include \$3.7 billion of revenue recognized in the three months ended December 28, 2024 that was included in deferred revenue as of September 28, 2024 and \$3.5 billion of revenue recognized in the three months ended December 30, 2023 that was included in deferred revenue as of September 30, 2023.

The Company’s proportion of net sales by disaggregated revenue source was generally consistent for each reportable segment in Note 10, “Segment Information and Geographic Data” for the three months ended December 28, 2024 and December 30, 2023, except in Greater China, where iPhone revenue represented a moderately higher proportion of net sales.

As of December 28, 2024 and September 28, 2024, the Company had total deferred revenue of \$13.2 billion and \$12.8 billion, respectively. As of December 28, 2024, the Company expects 64% of total deferred revenue to be realized in less than a year, 25% within one-to-two years, 9% within two-to-three years and 2% in greater than three years.

Note 3 – Earnings Per Share

The following table shows the computation of basic and diluted earnings per share for the three months ended December 28, 2024 and December 30, 2023 (net income in millions and shares in thousands):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Numerator:		
Net income	\$ 36,330	\$ 33,916
Denominator:		
Weighted-average basic shares outstanding	15,081,724	15,509,763
Effect of dilutive share-based awards	69,141	66,878
Weighted-average diluted shares	<u>15,150,865</u>	<u>15,576,641</u>
Basic earnings per share	\$ 2.41	\$ 2.19
Diluted earnings per share	\$ 2.40	\$ 2.18

Note 4 – Financial Instruments

Cash, Cash Equivalents and Marketable Securities

The following tables show the Company's cash, cash equivalents and marketable securities by significant investment category as of December 28, 2024 and September 28, 2024 (in millions):

	December 28, 2024						
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 27,073	\$ —	\$ —	\$ 27,073	\$ 27,073	\$ —	\$ —
Level 1:							
Money market funds	937	—	—	937	937	—	—
Mutual funds	597	109	(7)	699	—	699	—
Subtotal	<u>1,534</u>	<u>109</u>	<u>(7)</u>	<u>1,636</u>	<u>937</u>	<u>699</u>	<u>—</u>
Level 2 ⁽¹⁾ :							
U.S. Treasury securities	15,516	5	(616)	14,905	903	2,718	11,284
U.S. agency securities	5,570	—	(303)	5,267	314	1,683	3,270
Non-U.S. government securities	8,596	22	(819)	7,799	50	2,524	5,225
Certificates of deposit and time deposits	1,147	—	(13)	1,134	874	247	13
Commercial paper	418	—	(19)	399	101	298	—
Corporate debt securities	61,566	96	(2,210)	59,452	47	14,451	44,954
Municipal securities	355	—	(7)	348	—	189	159
Mortgage- and asset-backed securities	25,313	29	(1,987)	23,355	—	667	22,688
Subtotal	<u>118,481</u>	<u>152</u>	<u>(5,974)</u>	<u>112,659</u>	<u>2,289</u>	<u>22,777</u>	<u>87,593</u>
Total ⁽²⁾⁽³⁾	<u>\$ 147,088</u>	<u>\$ 261</u>	<u>\$ (5,981)</u>	<u>\$ 141,368</u>	<u>\$ 30,299</u>	<u>\$ 23,476</u>	<u>\$ 87,593</u>

September 28, 2024

	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents	Current Marketable Securities	Non-Current Marketable Securities
Cash	\$ 27,199	\$ —	\$ —	\$ 27,199	\$ 27,199	\$ —	\$ —
Level 1:							
Money market funds	778	—	—	778	778	—	—
Mutual funds	515	105	(3)	617	—	617	—
Subtotal	1,293	105	(3)	1,395	778	617	—
Level 2 ⁽¹⁾ :							
U.S. Treasury securities	16,150	45	(516)	15,679	212	4,087	11,380
U.S. agency securities	5,431	—	(272)	5,159	155	703	4,301
Non-U.S. government securities	17,959	93	(484)	17,568	1,158	10,810	5,600
Certificates of deposit and time deposits	873	—	—	873	387	478	8
Commercial paper	1,066	—	—	1,066	28	1,038	—
Corporate debt securities	65,622	270	(1,953)	63,939	26	16,027	47,886
Municipal securities	412	—	(7)	405	—	190	215
Mortgage- and asset-backed securities	24,595	175	(1,403)	23,367	—	1,278	22,089
Subtotal	132,108	583	(4,635)	128,056	1,966	34,611	91,479
Total ⁽²⁾⁽³⁾	\$ 160,600	\$ 688	\$ (4,638)	\$ 156,650	\$ 29,943	\$ 35,228	\$ 91,479

- (1) The valuation techniques used to measure the fair values of the Company's Level 2 financial instruments, which generally have counterparties with high credit ratings, are based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data.
- (2) As of December 28, 2024 and September 28, 2024, cash and cash equivalents included \$126 million and \$2.6 billion, respectively, held in escrow and restricted from general use. These restricted cash and cash equivalents are designated to settle the Company's obligation related to the 2016 European Commission (the "Commission") decision that Ireland granted state aid to the Company (the "State Aid Decision"), which was confirmed during the fourth quarter of 2024 by the European Court of Justice in a reversal of the 2020 judgment of the European General Court.
- (3) As of December 28, 2024 and September 28, 2024, current marketable securities included \$3.3 billion and \$13.2 billion, respectively, held in escrow and restricted from general use. These restricted marketable securities are designated to settle the Company's obligation related to the State Aid Decision.

As of December 28, 2024, 85% of the Company's non-current marketable debt securities other than mortgage- and asset-backed securities had maturities between 1 and 5 years, 11% between 5 and 10 years, and 4% greater than 10 years. As of December 28, 2024, 13% of the Company's non-current mortgage- and asset-backed securities had maturities between 1 and 5 years, 10% between 5 and 10 years, and 77% greater than 10 years.

Derivative Instruments and Hedging

The Company may use derivative instruments to partially offset its business exposure to foreign exchange and interest rate risk. However, the Company may choose not to hedge certain exposures for a variety of reasons, including accounting considerations or the prohibitive economic cost of hedging particular exposures. There can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in foreign exchange or interest rates.

Foreign Exchange Rate Risk

To protect gross margins from fluctuations in foreign exchange rates, the Company may use forwards, options or other instruments, and may designate these instruments as cash flow hedges. The Company generally hedges portions of its forecasted foreign currency exposure associated with revenue and inventory purchases, typically for up to 12 months.

To protect the Company's foreign currency-denominated term debt or marketable securities from fluctuations in foreign exchange rates, the Company may use forwards, cross-currency swaps or other instruments. The Company designates these instruments as either cash flow or fair value hedges. As of December 28, 2024, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows for term debt-related foreign currency transactions is 18 years.

The Company may also use derivative instruments that are not designated as accounting hedges to protect gross margins from certain fluctuations in foreign exchange rates, as well as to offset a portion of the foreign currency gains and losses generated by the remeasurement of certain assets and liabilities denominated in non-functional currencies.

Interest Rate Risk

To protect the Company's term debt or marketable securities from fluctuations in interest rates, the Company may use interest rate swaps, options or other instruments. The Company designates these instruments as either cash flow or fair value hedges.

The notional amounts of the Company's outstanding derivative instruments as of December 28, 2024 and September 28, 2024 were as follows (in millions):

	December 28, 2024	September 28, 2024
Derivative instruments designated as accounting hedges:		
Foreign exchange contracts	\$ 47,466	\$ 64,069
Interest rate contracts	\$ 14,575	\$ 14,575
Derivative instruments not designated as accounting hedges:		
Foreign exchange contracts	\$ 96,150	\$ 91,493

As of December 28, 2024 and September 28, 2024, the carrying amount of the Company's current and non-current term debt subject to fair value hedges was \$13.3 billion and \$13.5 billion, respectively.

Accounts Receivable

Trade Receivables

As of December 28, 2024, the Company had two customers that individually represented 10% or more of total trade receivables, which accounted for 18% and 11%. The Company's third-party cellular network carriers accounted for 33% and 38% of total trade receivables as of December 28, 2024 and September 28, 2024, respectively. The Company requires third-party credit support or collateral from certain customers to limit credit risk.

Vendor Non-Trade Receivables

The Company has non-trade receivables from certain of its manufacturing vendors resulting from the sale of components to these vendors who manufacture subassemblies or assemble final products for the Company. The Company purchases these components directly from suppliers. The Company does not reflect the sale of these components in products net sales. Rather, the Company recognizes any gain on these sales as a reduction of products cost of sales when the related final products are sold by the Company. As of December 28, 2024, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 43% and 24%. As of September 28, 2024, the Company had two vendors that individually represented 10% or more of total vendor non-trade receivables, which accounted for 44% and 23%.

Note 5 – Condensed Consolidated Financial Statement Details

The following tables show the Company's condensed consolidated financial statement details as of December 28, 2024 and September 28, 2024 (in millions):

Inventories

	December 28, 2024	September 28, 2024
Components	\$ 2,792	\$ 3,627
Finished goods	4,119	3,659
Total inventories	<u>\$ 6,911</u>	<u>\$ 7,286</u>

Property, Plant and Equipment, Net

	December 28, 2024	September 28, 2024
Gross property, plant and equipment	\$ 120,615	\$ 119,128
Accumulated depreciation	(74,546)	(73,448)
Total property, plant and equipment, net	<u>\$ 46,069</u>	<u>\$ 45,680</u>

Note 6 – Debt

Commercial Paper

The Company issues unsecured short-term promissory notes pursuant to a commercial paper program. The Company uses net proceeds from the commercial paper program for general corporate purposes, including dividends and share repurchases. As of December 28, 2024 and September 28, 2024, the Company had \$2.0 billion and \$10.0 billion of commercial paper outstanding, respectively.

Term Debt

As of December 28, 2024 and September 28, 2024, the Company had outstanding fixed-rate notes with varying maturities for an aggregate carrying amount of \$94.8 billion and \$96.7 billion, respectively (collectively the “Notes”). As of December 28, 2024 and September 28, 2024, the fair value of the Company’s Notes, based on Level 2 inputs, was \$82.7 billion and \$88.4 billion, respectively.

Note 7 – Shareholders’ Equity

Share Repurchase Program

During the three months ended December 28, 2024, the Company repurchased 100 million shares of its common stock for \$23.3 billion. The Company’s share repurchase program does not obligate the Company to acquire a minimum amount of shares. Under the program, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

Note 8 – Share-Based Compensation

Restricted Stock Units

A summary of the Company’s RSU activity and related information for the three months ended December 28, 2024 is as follows:

	Number of RSUs (in thousands)	Weighted-Average Grant-Date Fair Value Per RSU
Balance as of September 28, 2024	163,326	\$ 158.73
RSUs granted	61,391	\$ 228.04
RSUs vested	(35,683)	\$ 147.36
RSUs canceled	(2,278)	\$ 174.77
Balance as of December 28, 2024	<u>186,756</u>	<u>\$ 183.49</u>

The total vesting-date fair value of RSUs was \$8.4 billion and \$7.7 billion for the three months ended December 28, 2024 and December 30, 2023, respectively.

Share-Based Compensation

The following table shows share-based compensation expense and the related income tax benefit included in the Condensed Consolidated Statements of Operations for the three months ended December 28, 2024 and December 30, 2023 (in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Share-based compensation expense	\$ 3,286	\$ 2,997
Income tax benefit related to share-based compensation expense	\$ (1,332)	\$ (1,235)

As of December 28, 2024, the total unrecognized compensation cost related to outstanding RSUs was \$29.2 billion, which the Company expects to recognize over a weighted-average period of 2.9 years.

Note 9 – Contingencies

The Company is subject to various legal proceedings and claims that have arisen in the ordinary course of business and that have not been fully resolved. The outcome of litigation is inherently uncertain. In the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss greater than a recorded accrual, concerning loss contingencies for asserted legal and other claims.

Note 10 – Segment Information and Geographic Data

The following table shows information by reportable segment for the three months ended December 28, 2024 and December 30, 2023 (in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Americas:		
Net sales	\$ 52,648	\$ 50,430
Operating income	\$ 21,509	\$ 20,357
Europe:		
Net sales	\$ 33,861	\$ 30,397
Operating income	\$ 14,607	\$ 12,711
Greater China:		
Net sales	\$ 18,513	\$ 20,819
Operating income	\$ 8,160	\$ 8,622
Japan:		
Net sales	\$ 8,987	\$ 7,767
Operating income	\$ 4,314	\$ 3,819
Rest of Asia Pacific:		
Net sales	\$ 10,291	\$ 10,162
Operating income	\$ 4,584	\$ 4,579

A reconciliation of the Company's segment operating income to the Condensed Consolidated Statements of Operations for the three months ended December 28, 2024 and December 30, 2023 is as follows (in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Segment operating income	\$ 53,174	\$ 50,088
Research and development expense	(8,268)	(7,696)
Other corporate expenses, net	(2,074)	(2,019)
Total operating income	\$ 42,832	\$ 40,373

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

This Item and other sections of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. For example, statements in this Form 10-Q regarding the potential future impact of macroeconomic conditions on the Company's business and results of operations are forward-looking statements. Forward-looking statements can also be identified by words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include, but are not limited to, those discussed in Part I, Item 1A of the 2024 Form 10-K and Part II, Item 1A of this Form 10-Q, in each case under the heading "Risk Factors." The Company assumes no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Unless otherwise stated, all information presented herein is based on the Company's fiscal calendar, and references to particular years, quarters, months or periods refer to the Company's fiscal years ended in September and the associated quarters, months and periods of those fiscal years.

The following discussion should be read in conjunction with the 2024 Form 10-K filed with the U.S. Securities and Exchange Commission (the "SEC") and the condensed consolidated financial statements and accompanying notes included in Part I, Item 1 of this Form 10-Q.

Available Information

The Company periodically provides certain information for investors on its corporate website, www.apple.com, and its investor relations website, investor.apple.com. This includes press releases and other information about financial performance, information on environmental, social and governance matters, and details related to the Company's annual meeting of shareholders. The information contained on the websites referenced in this Form 10-Q is not incorporated by reference into this filing. Further, the Company's references to website URLs are intended to be inactive textual references only.

Business Seasonality and Product Introductions

The Company has historically experienced higher net sales in its first quarter compared to other quarters in its fiscal year due in part to seasonal holiday demand. Additionally, new product and service introductions can significantly impact net sales, cost of sales and operating expenses. The timing of product introductions can also impact the Company's net sales to its indirect distribution channels as these channels are filled with new inventory following a product launch, and channel inventory of an older product often declines as the launch of a newer product approaches. Net sales can also be affected when consumers and distributors anticipate a product introduction.

During the first quarter of 2025, the Company announced the following product updates:

- MacBook Pro[®]
- Mac mini[®]
- iMac[®]
- iPad mini[®]

Macroeconomic Conditions

Macroeconomic conditions, including inflation, interest rates and currency fluctuations, have directly and indirectly impacted, and could in the future materially impact, the Company's results of operations and financial condition.

Segment Operating Performance

The following table shows net sales by reportable segment for the three months ended December 28, 2024 and December 30, 2023 (dollars in millions):

	Three Months Ended		
	December 28, 2024	December 30, 2023	Change
Americas	\$ 52,648	\$ 50,430	4 %
Europe	33,861	30,397	11 %
Greater China	18,513	20,819	(11)%
Japan	8,987	7,767	16 %
Rest of Asia Pacific	10,291	10,162	1 %
Total net sales	<u>\$ 124,300</u>	<u>\$ 119,575</u>	4 %

Americas

Americas net sales increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher net sales of Services and iPhone. The weakness in foreign currencies relative to the U.S. dollar had an unfavorable year-over-year impact on Americas net sales during the first quarter of 2025.

Europe

Europe net sales increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher net sales of Services and iPhone. The strength in foreign currencies relative to the U.S. dollar had a net favorable year-over-year impact on Europe net sales during the first quarter of 2025.

Greater China

Greater China net sales decreased during the first quarter of 2025 compared to the same quarter in 2024 due to lower net sales of iPhone. The strength in the renminbi relative to the U.S. dollar had a favorable year-over-year impact on Greater China net sales during the first quarter of 2025.

Japan

Japan net sales increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher net sales of iPhone and Services.

Rest of Asia Pacific

Rest of Asia Pacific net sales were relatively flat during the first quarter of 2025 compared to the same quarter in 2024.

Products and Services Performance

The following table shows net sales by category for the three months ended December 28, 2024 and December 30, 2023 (dollars in millions):

	Three Months Ended		
	December 28, 2024	December 30, 2023	Change
iPhone	\$ 69,138	\$ 69,702	(1)%
Mac	8,987	7,780	16 %
iPad	8,088	7,023	15 %
Wearables, Home and Accessories	11,747	11,953	(2)%
Services	26,340	23,117	14 %
Total net sales	<u>\$ 124,300</u>	<u>\$ 119,575</u>	4 %

iPhone

iPhone net sales were relatively flat during the first quarter of 2025 compared to the same quarter in 2024.

Mac

Mac net sales increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher net sales of laptops.

iPad

iPad net sales increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher net sales of iPad Air®.

Wearables, Home and Accessories

Wearables, Home and Accessories net sales decreased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to lower net sales of Wearables.

Services

Services net sales increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher net sales from advertising, the App Store® and cloud services.

Gross Margin

Products and Services gross margin and gross margin percentage for the three months ended December 28, 2024 and December 30, 2023 were as follows (dollars in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Gross margin:		
Products	\$ 38,513	\$ 38,018
Services	19,762	16,837
Total gross margin	<u>\$ 58,275</u>	<u>\$ 54,855</u>
Gross margin percentage:		
Products	39.3 %	39.4 %
Services	75.0 %	72.8 %
Total gross margin percentage	46.9 %	45.9 %

Products Gross Margin

Products gross margin and Products gross margin percentage were relatively flat during the first quarter of 2025 compared to the same quarter in 2024.

Services Gross Margin

Services gross margin increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to higher Services net sales and a different Services mix.

Services gross margin percentage increased during the first quarter of 2025 compared to the same quarter in 2024 due primarily to a different Services mix, partially offset by higher Services costs.

The Company's future gross margins can be impacted by a variety of factors, as discussed in Part I, Item 1A of the 2024 Form 10-K and Part II, Item 1A of this Form 10-Q, in each case under the heading "Risk Factors." As a result, the Company believes, in general, gross margins will be subject to volatility and downward pressure.

Operating Expenses

Operating expenses for the three months ended December 28, 2024 and December 30, 2023 were as follows (dollars in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Research and development	\$ 8,268	\$ 7,696
Percentage of total net sales	7 %	6 %
Selling, general and administrative	\$ 7,175	\$ 6,786
Percentage of total net sales	6 %	6 %
Total operating expenses	\$ 15,443	\$ 14,482
Percentage of total net sales	12 %	12 %

Research and Development

The growth in research and development expense during the first quarter of 2025 compared to the same quarter in 2024 was driven primarily by increases in headcount-related expenses and infrastructure-related costs.

Selling, General and Administrative

The growth in selling, general and administrative expense during the first quarter of 2025 compared to the same quarter in 2024 was driven primarily by higher variable selling expenses and increases in headcount-related expenses.

Provision for Income Taxes

Provision for income taxes, effective tax rate and statutory federal income tax rate for the three months ended December 28, 2024 and December 30, 2023 were as follows (dollars in millions):

	Three Months Ended	
	December 28, 2024	December 30, 2023
Provision for income taxes	\$ 6,254	\$ 6,407
Effective tax rate	14.7 %	15.9 %
Statutory federal income tax rate	21 %	21 %

The Company's effective tax rate for the first quarter of 2025 was lower than the statutory federal income tax rate due primarily to a lower effective tax rate on foreign earnings, tax benefits from share-based compensation, the impact of foreign currency loss regulations issued by the U.S. Department of the Treasury in December 2024, and the tax impact from foreign currency revaluations related to the State Aid Decision.

The Company's effective tax rate for the first quarter of 2025 was lower compared to the same quarter in 2024 due primarily to the impact of foreign currency loss regulations issued by the U.S. Department of the Treasury in December 2024 and the tax impact from foreign currency revaluations related to the State Aid Decision, partially offset by a higher effective tax rate on foreign earnings.

Liquidity and Capital Resources

The Company believes its balances of unrestricted cash, cash equivalents and marketable securities, along with cash generated by ongoing operations and continued access to debt markets, will be sufficient to satisfy its cash requirements and capital return program over the next 12 months and beyond.

The Company's contractual cash requirements have not changed materially since the 2024 Form 10-K, except for commercial paper, manufacturing purchase obligations and the State Aid Decision tax payable.

Commercial Paper

The Company issues unsecured short-term promissory notes pursuant to a commercial paper program. As of December 28, 2024, the Company had \$2.0 billion of commercial paper outstanding, which was payable within 12 months.

Manufacturing Purchase Obligations

The Company utilizes several outsourcing partners to manufacture subassemblies for the Company's products and to perform final assembly and testing of finished products. The Company also obtains individual components for its products from a wide variety of individual suppliers. As of December 28, 2024, the Company had manufacturing purchase obligations of \$39.8 billion, which were payable within 12 months.

State Aid Decision Tax Payable

During the first quarter of 2025, the Company paid €11.0 billion or \$11.9 billion to Ireland in connection with the State Aid Decision. As of December 28, 2024, the Company had a remaining obligation to pay €3.3 billion or \$3.4 billion, which was expected to be paid within 12 months. The funds necessary to settle the remaining obligation were held in escrow as of December 28, 2024, and restricted from general use.

Capital Return Program

In addition to its contractual cash requirements, the Company has an authorized share repurchase program. The program does not obligate the Company to acquire a minimum amount of shares. As of December 28, 2024, the Company's quarterly cash dividend was \$0.25 per share. The Company intends to increase its dividend on an annual basis, subject to declaration by the Board of Directors.

During the first quarter of 2025, the Company repurchased \$23.3 billion of its common stock and paid dividends and dividend equivalents of \$3.9 billion.

Recent Accounting Pronouncements

Disaggregation of Income Statement Expenses

In November 2024, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* (“ASU 2024-03”) and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company’s definition of selling expenses. The Company will adopt ASU 2024-03 in its fourth quarter of 2028 using a prospective transition method.

Income Taxes

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”), which will require the Company to disclose specified additional information in its income tax rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 will also require the Company to disaggregate its income taxes paid disclosure by federal, state and foreign taxes, with further disaggregation required for significant individual jurisdictions. The Company will adopt ASU 2023-09 in its fourth quarter of 2026 using a prospective transition method.

Segment Reporting

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* (“ASU 2023-07”), which will require the Company to disclose segment expenses that are significant and regularly provided to the Company’s chief operating decision maker (“CODM”). In addition, ASU 2023-07 will require the Company to disclose the title and position of its CODM and how the CODM uses segment profit or loss information in assessing segment performance and deciding how to allocate resources. The Company will adopt ASU 2023-07 in its fourth quarter of 2025 using a retrospective transition method.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with GAAP and the Company’s discussion and analysis of its financial condition and operating results require the Company’s management to make judgments, assumptions and estimates that affect the amounts reported. Note 1, “Summary of Significant Accounting Policies” of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q and in the Notes to Consolidated Financial Statements in Part II, Item 8 of the 2024 Form 10-K describe the significant accounting policies and methods used in the preparation of the Company’s condensed consolidated financial statements. There have been no material changes to the Company’s critical accounting estimates since the 2024 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company’s market risk during the first three months of 2025. For a discussion of the Company’s exposure to market risk, refer to the Company’s market risk disclosures set forth in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of the 2024 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company’s management, the Company’s principal executive officer and principal financial officer have concluded that the Company’s disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of December 28, 2024 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the first quarter of 2025, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Digital Markets Act Investigations

On March 25, 2024, the Commission announced that it had opened two formal noncompliance investigations against the Company under the European Union ("EU") Digital Markets Act (the "DMA"). The Commission's investigations concern (1) Article 5(4) of the DMA, which relates to how developers may communicate and promote offers to end users for apps distributed through the App Store as well as how developers may conclude contracts with those end users; and (2) Article 6(3) of the DMA, which relates to default settings, uninstallation of apps, and a web browser choice screen on iOS. On June 24, 2024, the Commission announced its preliminary findings in the Article 5(4) investigation alleging that the Company's App Store rules are in breach of the DMA and announced that it had opened a third formal investigation against the Company regarding whether the Company's new contractual requirements for third-party app developers and app marketplaces may violate the DMA. If the Commission makes a final determination that there has been a violation, it can issue a cease and desist order and may impose fines up to 10% of the Company's annual worldwide net sales. Although any decision by the Commission can be appealed to the General Court of the EU, the effectiveness of the Commission's order would apply immediately while the appeal is pending, unless a stay of the order is granted. The Company believes that it complies with the DMA and has continued to make changes to its compliance plan in response to feedback and engagement with the Commission.

Department of Justice Lawsuit

On March 21, 2024, the U.S. Department of Justice (the "DOJ") and a number of state and district attorneys general filed a civil antitrust lawsuit in the U.S. District Court for the District of New Jersey against the Company alleging monopolization or attempted monopolization in the markets for "performance smartphones" and "smartphones" in violation of U.S. antitrust laws. The DOJ is seeking equitable relief to redress the alleged anticompetitive behavior. In addition, various civil litigation matters have been filed in state and federal courts in the U.S. alleging similar violations of U.S. antitrust laws and seeking monetary damages and other nonmonetary relief. The Company believes it has substantial defenses and intends to vigorously defend itself.

Epic Games

Epic Games, Inc. ("Epic") filed a lawsuit in the U.S. District Court for the Northern District of California (the "California District Court") against the Company alleging violations of federal and state antitrust laws and California's unfair competition law based upon the Company's operation of its App Store. The California District Court found that certain provisions of the Company's App Store Review Guidelines violate California's unfair competition law and issued an injunction enjoining the Company from prohibiting developers from including in their apps external links that direct customers to purchasing mechanisms other than Apple in-app purchasing. The injunction applies to apps on the U.S. storefront of the iOS and iPadOS® App Store. On January 16, 2024, the Company implemented a plan to comply with the injunction and filed a statement of compliance with the California District Court. A motion by Epic disputing the Company's compliance plan and seeking to enforce the injunction, which the Company has opposed, is pending before the California District Court. On September 30, 2024, the Company filed a motion with the California District Court to narrow or vacate the injunction. The Company believes it has substantial defenses and intends to vigorously defend itself.

Other Legal Proceedings

The Company is subject to other legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. The Company settled certain matters during the first quarter of 2025 that did not individually or in the aggregate have a material impact on the Company's financial condition or operating results. The outcome of litigation is inherently uncertain. If one or more legal matters were resolved against the Company in a reporting period for amounts above management's expectations, the Company's financial condition and operating results for that reporting period could be materially adversely affected.

Item 1A. Risk Factors

The Company's business, reputation, results of operations, financial condition and stock price can be affected by a number of factors, whether currently known or unknown, including those described in Part I, Item 1A of the 2024 Form 10-K under the heading "Risk Factors." When any one or more of these risks materialize from time to time, the Company's business, reputation, results of operations, financial condition and stock price can be materially and adversely affected. Except as set forth below, there have been no material changes to the Company's risk factors since the 2024 Form 10-K.

The Company is subject to complex and changing laws and regulations worldwide, which exposes the Company to potential liabilities, increased costs and other adverse effects on the Company's business.

The Company's global operations are subject to complex and changing laws and regulations on subjects including antitrust; privacy, data security and data localization; consumer protection; advertising, sales, billing and e-commerce; financial services and technology; product liability; intellectual property ownership and infringement; digital platforms; machine learning and artificial intelligence; internet, telecommunications and mobile communications; media, television, film and digital content; availability of third-party software applications and services; labor and employment; anticorruption; import, export and trade; foreign exchange controls and cash repatriation restrictions; anti-money laundering; foreign ownership and investment; national security; tax; and environmental, health and safety, including electronic waste, recycling, product design and climate change.

Compliance with these laws and regulations is onerous and expensive. New and changing laws, regulations, executive orders, directives, and enforcement priorities can adversely affect the Company's business by increasing the Company's costs, limiting the Company's ability to offer a product, service or feature to customers, imposing changes to the design of the Company's products and services, impacting customer demand for the Company's products and services, and requiring changes to the Company's business or supply chain. New and changing laws, regulations, executive orders, directives, and enforcement priorities can also create uncertainty about how such laws and regulations will be interpreted and applied.

Risks and costs related to new and changing laws, regulations, executive orders, directives, and enforcement priorities may increase as the Company's products and services are introduced into specialized applications, including health and financial services, or as the Company expands the use of technologies, such as machine learning and artificial intelligence features, and must navigate new legal, regulatory and ethical considerations relating to such technologies. The Company has implemented policies and procedures designed to ensure compliance with applicable laws and regulations, but there can be no assurance the Company's employees, contractors or agents will not violate such laws and regulations or the Company's policies and procedures. If the Company is found to have violated laws and regulations, it could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Regulatory changes and other actions that materially adversely affect the Company's business may be announced with little or no advance notice and the Company may not be able to effectively mitigate all adverse impacts from such measures. For example, the Company is subject to changing regulations relating to the export and import of its products. Although the Company has programs, policies and procedures in place that are designed to satisfy regulatory requirements, there can be no assurance that such policies and procedures will be effective in preventing a violation or a claim of a violation. As a result, the Company's products could be banned, delayed or prohibited from importation, which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

The technology industry, including, in some instances, the Company, is subject to intense media, political and regulatory scrutiny, which exposes the Company to increasing regulation, government investigations, legal actions and penalties.

From time to time, the Company has made changes to its App Store, including actions taken in response to litigation, competition, market conditions and legal and regulatory requirements. The Company expects to make further business changes in the future. For example, in the U.S. the Company has implemented changes to how developers communicate with consumers within apps on the U.S. storefront of the iOS and iPadOS App Store regarding alternative purchasing mechanisms.

The Company has also implemented changes to iOS, iPadOS, the App Store and Safari in the EU as it seeks to comply with the DMA, including new business terms and alternative fee structures for iOS and iPadOS apps, alternative methods of distribution for iOS and iPadOS apps, alternative payment processing for apps across the Company's operating systems, and additional tools and application programming interfaces ("APIs") for developers. The Company has also continued to make changes to its compliance plan in response to feedback and engagement with the Commission. Although the Company's compliance plan is intended to address the DMA's obligations, it has been challenged by the Commission and may be challenged further by private litigants. The DMA provides for significant fines and penalties for noncompliance, and other jurisdictions may seek to require the Company to make changes to its business. While the changes introduced by the Company in the EU are intended to reduce new privacy and security risks that the DMA poses to EU users, many risks will remain.

The Company is also currently subject to antitrust investigations and litigation in various jurisdictions around the world, which can result in legal proceedings and claims against the Company that could, individually or in the aggregate, have a materially adverse impact on the Company's business, results of operations and financial condition. For example, the Company is subject to civil antitrust lawsuits in the U.S. alleging monopolization or attempted monopolization in the markets for "performance smartphones" and "smartphones" generally in violation of U.S. antitrust laws. In addition, the Company is the subject of investigations in Europe and other jurisdictions relating to App Store terms and conditions. If such investigations or litigation are resolved against the Company, the Company can be exposed to significant fines and may be required to make further changes to its business practices, all of which could materially adversely affect the Company's business, reputation, results of operations and financial condition.

Further, the Company has commercial relationships with other companies in the technology industry that are or may become subject to investigations and litigation that, if resolved against those other companies, could materially adversely affect the Company's commercial relationships with those business partners and materially adversely affect the Company's business, results of operations and financial condition. For example, the Company earns revenue from licensing arrangements with Google LLC ("Google") and other companies to offer their search services on the Company's platforms and applications, and certain of these arrangements are currently subject to government investigations and legal proceedings. On August 5, 2024, Google was found to have violated U.S. antitrust laws. In connection with this finding, the DOJ has proposed remedies, which include changes to Google's products, services and business models. The proposed changes vary in scope and severity and range from imposing significant restrictions on Google's licensing agreements to prohibiting Google from offering the Company commercial terms for search distribution for up to 10 years. If implemented, such remedies could materially adversely affect the Company's ability to earn revenue from such licensing arrangements.

There can be no assurance the Company's business, results of operations and financial condition will not be materially adversely affected, individually or in the aggregate, by the outcomes of such investigations, litigation or changes to laws and regulations in the future. Changes to the Company's business practices to comply with new laws and regulations or in connection with other legal proceedings can negatively impact the reputation of the Company's products for privacy and security and otherwise adversely affect the experience for users of the Company's products and services, and result in harm to the Company's reputation, loss of competitive advantage, poor market acceptance, reduced demand for products and services, lost sales, and lower profit margins.

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

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended December 28, 2024 was as follows (in millions, except number of shares, which are reflected in thousands, and per-share amounts):

Periods	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
September 29, 2024 to November 2, 2024:				
Open market and privately negotiated purchases	41,627	\$ 229.51	41,627	
November 3, 2024 to November 30, 2024:				
Open market and privately negotiated purchases	32,784	\$ 227.13	32,784	
December 1, 2024 to December 28, 2024:				
Open market and privately negotiated purchases	25,379	\$ 248.05	25,379	
Total	99,790			\$ 65,779

- (1) As of December 28, 2024, the Company was authorized by the Board of Directors to purchase up to \$110 billion of the Company's common stock under a share repurchase program announced on May 2, 2024, of which \$44.2 billion had been utilized. The program does not obligate the Company to acquire a minimum amount of shares. Under the program, shares may be repurchased in privately negotiated or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information**Insider Trading Arrangements**

On November 6, 2024, Luca Maestri, the Company's former Senior Vice President and Chief Financial Officer, and current Vice President, Corporate Services, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale, subject to certain price limits, of shares vesting between April 1, 2025 and October 15, 2025, pursuant to certain equity awards granted to Mr. Maestri, excluding any shares withheld by the Company to satisfy income tax withholding and remittance obligations. Mr. Maestri's plan will expire on December 31, 2025, subject to early termination in accordance with the terms of the plan.

On November 25, 2024, Kate Adams, the Company's Senior Vice President, General Counsel and Secretary, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale of shares vesting between April 1, 2025 and October 1, 2025, pursuant to certain equity awards granted to Ms. Adams, excluding any shares withheld by the Company to satisfy income tax withholding and remittance obligations. Ms. Adam's plan will expire on November 1, 2025, subject to early termination in accordance with the terms of the plan.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference		
		Form	Exhibit	Filing Date/ Period End Date
10.1*, **	Apple Inc. Employee Stock Purchase Plan, as amended as of November 6, 2024.			
10.2*, **	Apple Inc. Non-Employee Director Stock Plan, as amended November 6, 2024.			
31.1**	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.			
31.2**	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.			
32.1***	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.			
101**	Inline XBRL Document Set for the condensed consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.			
104**	Inline XBRL for the cover page of this Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.			

* Indicates management contract or compensatory plan or arrangement.

** Filed herewith.

*** Furnished herewith.



APPLE INC.
EMPLOYEE STOCK PURCHASE PLAN
(As Amended as of November 6, 2024)

This Apple Inc. Employee Stock Purchase Plan (as it may be amended from time to time, the “Plan”) as amended and restated on March 10, 2015 (the “Effective Date”) and as further amended by the Board on November 6, 2024 shall govern all grants of Options as to which Shares are to be delivered under the Plan.

- (1) Purpose of the Plan. The purpose of the Plan is to encourage and enable Eligible Employees of the Company and certain of its Subsidiaries to acquire proprietary interests in the Company through the ownership of Shares. It is the intention of the Company to have this Plan and the Options granted pursuant to this Plan satisfy the requirements for “employee stock purchase plans” that are set forth under Section 423 of the Code, although the Company makes no undertaking to, nor representation that it will, maintain the qualified status of this Plan or such Options. In addition, Options that do not satisfy the requirements for “employee stock purchase plans” that are set forth under Section 423 of the Code may be granted under this Plan pursuant to the rules, procedures, or sub-plans adopted by the Board for Eligible Employees.
- (2) Definitions. Unless otherwise provided in the Plan, capitalized terms, when used herein, shall have the following respective meanings:
 - (a) “*Account*” shall mean a bookkeeping account established and maintained to record the amount of funds accumulated pursuant to the Plan with respect to a Participant for the purpose of purchasing Shares under this Plan.
 - (b) “*Administrator*” shall mean the Board, the People and Compensation Committee of the Board, or any other committee appointed by the Board.
 - (c) “*Applicable Laws*” shall mean all applicable securities, tax and exchange control laws, rules, regulations, and requirements, including, but not limited to, U.S. state corporate laws, U.S. federal and state securities laws, the Code, the rules of any stock exchange or quotation system on which the Shares are listed or quoted and the applicable securities, tax and exchange control laws, rules, regulations, and requirements of any other country or jurisdiction where Options are granted under the Plan or where Eligible Employees reside or provide services, as such laws, rules, regulations, and requirements shall be in effect from time to time.
 - (d) “*Board*” shall mean the Company’s Board of Directors.

- (e) “*Code*” shall mean the U.S. Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder.
- (f) “*Common Stock*” shall mean the Company’s common stock, \$0.00001 par value per Share.
- (g) “*Company*” shall mean Apple Inc., a California corporation.
- (h) “*Designated Subsidiaries*” shall mean any Subsidiary designated by the Administrator from time to time, in its sole discretion, whose employees may participate in the Plan, if such employees otherwise qualify as Eligible Employees. The Administrator may provide that the non-U.S. Eligible Employees of any Designated Subsidiary shall only be eligible to participate in the Non-423(b) Offering.
- (i) “*Eligible Compensation*” shall mean and refer to the Participant’s cash compensation paid through the Company’s or a Designated Subsidiary’s payroll system for personal services actually rendered in the course of employment. Eligible Compensation shall be limited to amounts received by the Participant during the period he or she is participating in the Plan and includes salary and other wages, amounts contributed by the Participant to any benefit plan maintained by the Company or any Designated Subsidiary (including any 401(k) plan, 125 plan, or any other deferred compensation plan), overtime pay, commissions, draws against commissions, shift premiums, sick pay, vacation pay, holiday pay, and shutdown pay, except to the extent that the exclusion of any such item (or a sub-set of any such item) is specifically directed by the Administrator for all Eligible Employees. Notwithstanding the preceding, Eligible Compensation does not include any incentive or other bonus payments (unless the inclusion of any incentive or other bonus payment is specifically directed by the Administrator for all Eligible Employees), remuneration paid in a form other than cash, fringe benefits (including car allowances and relocation payments), employee discounts, expense reimbursement or allowances, long-term disability payments, worker’s compensation payments, welfare benefits, and any contributions that the Company or any Designated Subsidiary makes to any benefit plan (including any 401(k) plan or any other welfare or retirement plan).
- (j) “*Eligible Employee*” shall mean any natural person, including an officer, who is regularly employed by the Company or any Designated Subsidiary.
- (k) “*Enrollment Agreement*” means the agreement(s) between the Company and an Eligible Employee, in such written, electronic, or other format and/or pursuant to such written, electronic, or other process as may be established by the Administrator from time to time, pursuant to which an Eligible Employee elects to participate in this

Plan or elects to make changes with respect to such participation as permitted by this Plan.

- (l) *“Enrollment Period”* shall mean that period of time prescribed by the Administrator, which period shall conclude prior to the Offering Date, during which Eligible Employees may elect to participate in an Offering Period. The duration and timing of Enrollment Periods may be changed or modified by the Administrator from time to time.
- (m) *“Fair Market Value”* shall mean, unless otherwise determined or provided by the Administrator in the circumstances, the closing price (in regular trading) for a Share of Common Stock on the NASDAQ Stock Market (the “Market”) for the date in question or, if no sales of Common Stock were reported on the Market on that date, the last price (in regular trading) for a Share of Common Stock on the Market for the next preceding day on which sales of Common Stock were reported on the Market. The Administrator may, however, provide with respect to one or more Options that the Fair Market Value shall equal the last price for a Share of Common Stock on the Market on the last Trading Day preceding the date in question or the average of the high and low trading prices of a Share of Common Stock on the Market for the date in question or the most recent Trading Day. If the Common Stock is no longer listed or is no longer actively traded on the Market as of the applicable date, the Fair Market Value of the Common Stock shall be the value as reasonably determined by the Administrator for purposes of the Plan in the circumstances. The Administrator also may adopt a different methodology for determining Fair Market Value with respect to one or more Options if a different methodology is necessary or advisable to secure any intended favorable tax, legal, or other treatment for the particular Option(s) (for example, and without limitation, the Administrator may provide that Fair Market Value for purposes of one or more Options will be based on an average of closing prices (or the average of high and low daily trading prices) for a specified period preceding the relevant date).
- (n) *“Non-423(b) Offering”* shall mean the rules, procedures, or sub-plans, if any, adopted by the Administrator as a part of this Plan, pursuant to which Options that do not satisfy the requirements for “employee stock purchase plans” that are set forth under Section 423 of the Code may be granted to Eligible Employees as a separate offering under the Plan.
- (o) *“Offering Date”* shall mean the first business day of each Offering Period as designated by the Administrator.
- (p) *“Offering Period”* shall mean the period established in advance by the Administrator, which period shall not exceed twenty-seven (27) months, during which payroll deductions shall be collected to purchase Shares pursuant to an offering made under this Plan.

Unless otherwise established by the Administrator prior to the start of an Offering Period, there shall be two (2) Offering Periods that commence each year, and each shall be of approximately six (6) months' duration, with the first such Offering Period beginning on the first business day of February and ending on the last business day of the immediately following July, and the second such Offering Period beginning on the first business day of August and ending on the last business day of the immediately following January; provided, however, that as of the Effective Date and subject to shareholder approval as of such date, this Plan shall apply to the Offering Period beginning on the first business day of February, 2015.

- (q) "*Option*" shall mean the right granted to Participants to purchase Shares pursuant to an offering made under this Plan.
- (r) "*Outstanding Election*" shall mean a Participant's then-current election to purchase Shares in an Offering Period, or that part of such an election which has not been cancelled (including any voluntary cancellation under Section (9) and deemed cancellation under Section (14)) prior to the close of business on the last Trading Day of the Offering Period or such other date as determined by the Administrator.
- (s) "*Participant*" shall mean an Eligible Employee who has elected to participate in the Plan pursuant to Section (6).
- (t) "*Prior Plan*" shall mean the Apple Inc. Employee Stock Purchase Plan, as amended and restated effective as of March 8, 2010.
- (u) "*Purchase Price Per Share*" shall mean the price determined or provided by the Administrator in the circumstances but shall not be less than the lesser of (i) eighty-five percent (85%) of the Fair Market Value on the Offering Date or (ii) eighty-five percent (85%) of the Fair Market Value on the last Trading Day of the Offering Period.
- (v) "*Share*" shall mean one (1) share of Common Stock.
- (w) "*Subsidiary*" shall mean any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the Effective Date shall be considered a Subsidiary commencing as of such date.
- (x) "*Termination of Service*" means, with respect to an employee, a cessation of the employee-employer relationship between the employee and the Company or a Designated Subsidiary for any reason, (i) including but not by way of limitation, (A) a termination by

resignation, discharge, death, disability, retirement, or the disaffiliation of a Subsidiary, (B) unless otherwise determined or provided by the Administrator, a transfer of employment to a Subsidiary that is not a Designated Subsidiary as of the first day immediately following the three (3)-month period following such transfer, and (C) a termination of employment where the individual continues to provide certain services to the Company or a Subsidiary in a non-employee role, but (ii) excluding (A) such termination where there is a simultaneous reemployment by the Company or a Designated Subsidiary and (B) any bona fide and Company-approved leave of absence, such as family leave, medical leave, personal leave, and military leave; provided, however, where the period of leave exceeds three (3) months and the employee's right to reemployment is not guaranteed either by statute or by contract, the employee-employer relationship will be deemed to have terminated on the first day immediately following such three (3)-month period.

(y) "*Trading Day*" shall mean a day on which the NASDAQ is open for trading.

- (3) Shares Reserved for the Plan. Subject to adjustment pursuant to Section (17), the maximum number of Shares that may be delivered pursuant to Options granted under this Plan (including any Non-423(b) Offering established hereunder) shall equal the sum of (i) 50,000,000 Shares and (ii) the number of Shares previously reserved for issuance under the Prior Plan but not delivered pursuant to Options as of the Effective Date; provided that in no event shall the maximum number of Shares reserved for issuance under the Plan exceed 57,591,146 Shares (which is the sum of (x) the 50,000,000 Shares set forth above, plus (y) the number of Shares available for issuance under the Prior Plan on November 13, 2014). The Shares reserved for issuance pursuant to this Plan may be authorized but unissued Shares, treasury Shares, or Shares purchased on the open market. If any Option granted under the Plan shall for any reason terminate without having been exercised, the Shares not purchased under such Option shall again become available for issuance under the Plan.

If the number of Shares to be purchased by Participants on the last day of an Offering Period exceeds the total number of Shares then available under the Plan, then the Administrator shall make a pro-rata allocation of any Shares that may be issued pursuant to the Plan in as uniform and equitable a manner as is reasonably practicable, as determined in the Administrator's sole discretion. In such event, the Company shall provide written notice to each affected Participant of the reduction of the number of Shares to be purchased under the Participant's Option.

If the Administrator determines that some or all of the Shares to be purchased by Participants on the last day of an Offering Period would not be issued in accordance with Applicable Laws or any approval by any regulatory body as may be required, or the Shares would not be issued pursuant to an effective Form S-8 registration statement or that the issuance of some or all of such Shares pursuant

to a Form S-8 registration statement is not advisable due to the risk that such issuance will violate Applicable Laws, the Administrator may, without Participant consent, terminate any outstanding Offering Period and the Options granted pursuant thereto and refund in cash all affected Participants' entire Account balances for such Offering Period as soon as practicable thereafter.

In the Administrator's discretion, fractional Shares may be issuable upon exercise of the Options under the Plan.

- (4) Administration of the Plan. The Administrator shall have the authority and responsibility for the day-to-day administration of the Plan, which, to the extent permitted by the laws of the State of California and applicable U.S. Federal laws, it may delegate to a sub-committee. Subject to the provisions of the Plan, the Administrator shall have full authority, in its sole discretion, to take any actions it deems necessary or advisable for the administration of the Plan, including, but not limited to:
- (a) Interpreting the Plan and prescribing, adopting, and rescinding rules and regulations it deems appropriate to implement the Plan, including amending any outstanding Option, as it may deem advisable or necessary to comply with Applicable Laws, and making all other decisions relating to the operation of the Plan;
 - (b) Establishing the timing and length of Offering Periods;
 - (c) Establishing minimum and maximum contribution rates;
 - (d) Establishing new or changing existing limits on the number of Shares an Eligible Employee may elect to purchase with respect to any Offering Period, if such limits are announced prior to the first Offering Period to be affected;
 - (e) Adopting such rules or sub-plans as may be deemed necessary or appropriate to comply with the laws of other countries, allow for tax-preferred treatment of the Options or otherwise provide for the participation by Eligible Employees who reside outside of the United States, including determining which Eligible Employees are eligible to participate in the Non-423(b) Offering or other sub-plans established by the Administrator; and
 - (f) Establishing the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars and permitting payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the processing of properly completed Enrollment Agreements.

The Administrator's determinations under the Plan shall be final, conclusive, and binding on all persons. Neither the Board, the People and Compensation Committee of the Board, any other committee appointed by the Board, nor any of their agents or designees shall be

liable for any act, failure to act, or determination made in good faith with respect to the Plan.

(5) Grant of Option; Limitations.

- (a) Grant of Option. On each Offering Date, each Participant shall automatically be granted an Option to purchase as many Shares (or, as applicable, fractions of a Share) as the Participant will be able to purchase with the payroll deductions credited to the Participant's Account during the applicable Offering Period.
- (b) Limit on Number of Shares Purchased. Notwithstanding the above, in no event may a Participant purchase more than one million (1,000,000) Shares in any one Offering Period, unless otherwise expressly provided by the Administrator in advance of that Offering Period.
- (c) Limit on Value of Shares Purchased. Notwithstanding any provisions of the Plan to the contrary, excluding Options granted pursuant to any Non-423(b) Offering, no Participant shall be granted an Option to purchase Shares under this Plan which permits the Participant's rights to purchase Shares under all "employee stock purchase plans" (described in Section 423 of the Code) of the Company and its Subsidiaries to accrue at a rate which exceeds twenty-five thousand dollars (\$25,000) of the Fair Market Value of such Shares (determined at the time such Options are granted) for each calendar year in which such Options are outstanding at any time.
- (d) 5% Owner Limit. Notwithstanding any provisions of the Plan to the contrary, no Participant shall be granted an Option to purchase Shares under this Plan if such Participant (or any other person whose stock would be attributed to such Participant pursuant to Section 424(d) of the Code), immediately after such Option is granted, would own or hold options to purchase Shares possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or any of its Subsidiaries.
- (e) Other Limitation. The Administrator may determine, as to any Offering Period, that the offering will not be extended to "highly compensated employees" within the meaning of Section 414(q) of the Code.

- (6) Participation in the Plan. An Eligible Employee may become a Participant for an Offering Period by completing the prescribed Enrollment Agreement and submitting such Enrollment Agreement to the Company (or the Company's designee), in the format and pursuant to the process as prescribed by the Administrator, during the Enrollment Period prior to the commencement of the Offering Period to which it relates. Such Enrollment Agreement shall contain the payroll deduction authorization described in Section (8). A payroll deduction authorization will be effective for the first Offering Period following the submission

of the Enrollment Agreement and all subsequent Offering Periods as provided by Section (7) until (i) it is terminated in accordance with Sections (9) or (14), (ii) it is modified by filing another Enrollment Agreement in accordance with this Section (6), (iii) an election is made to decrease payroll deductions in accordance with Section (8), (iv) the Participant's Termination of Service, or (v) the Participant is otherwise ineligible to participate in the Plan.

- (7) Automatic Re-Enrollment. Following the end of each Offering Period, each Participant shall be automatically re-enrolled in the next Offering Period at the applicable rate of payroll deductions in effect on the last Trading Day of the prior Offering Period or otherwise as provided under Section (8), unless (i) the Participant has elected to withdraw from the Plan in accordance with Section (9), (ii) the Participant's Termination of Service, or (iii) the Participant is otherwise ineligible to participate in the next Offering Period. Notwithstanding the foregoing, the Administrator may require current Participants to complete and submit a new Enrollment Agreement at any time it deems necessary or desirable to facilitate Plan administration or for any other reason.
- (8) Payroll Deductions. Each Participant's Enrollment Agreement shall contain a payroll deduction authorization pursuant to which he or she shall elect to have a designated whole percentage of Eligible Compensation between one percent (1%) and ten percent (10%) deducted on each payday during the Offering Period and credited to the Participant's Account for the purchase of Shares pursuant to the offering. Payroll deductions shall commence on the Offering Date of the first Offering Period to which the Enrollment Agreement relates (or as soon as administratively practicable thereafter) and shall continue through subsequent Offering Periods pursuant to Section (7). Participants shall not be permitted to make any separate cash payments into their Account for the purchase of Shares pursuant to an offering. Notwithstanding the foregoing, if local law prohibits payroll deductions, a Participant may elect to participate in an Offering Period through contributions to his or her Account in a format and pursuant to a process acceptable to the Administrator. In such event, any such Participant shall be deemed to participate in a separate offering under the Plan, unless the Administrator otherwise expressly provides.

If in any payroll period a Participant has no pay or his or her pay is insufficient (after other authorized deductions) to permit deduction of the full amount of his or her payroll deduction election, then (i) the payroll deduction election for such payroll period shall be reduced to the amount of pay remaining, if any, after all other authorized deductions, and (ii) the percentage or dollar amount of Eligible Compensation shall be deemed to have been reduced by the amount of the reduction in the payroll deduction election for such payroll period. Deductions of the full amount originally elected by the Participant will recommence as soon as his or her pay is sufficient to permit such payroll deductions; provided, however, no additional amounts will be deducted to satisfy the Outstanding Election.

A Participant may elect to decrease, but not increase, the rate of his or her payroll deductions during an Offering Period by submitting the prescribed Enrollment Agreement to the Company (or the Company's designee) at any time

prior to the first day of the last calendar month of such Offering Period. Any such payroll deduction change will be effective as soon as administratively practicable thereafter and will remain in effect for successive Offering Periods as provided in Section (7) unless (i) the Participant submits a new Enrollment Agreement for a later Offering Period, (ii) the Participant elects to decrease his or her payroll deductions, (iii) the Participant elects to withdraw from the Plan in accordance with Section (9), (iv) the Participant is withdrawn from the Plan in accordance with Section (14), or (v) the Participant is otherwise ineligible to participate in the Plan. A Participant may only increase his or her rate of payroll deductions to be effective for the next Offering Period by completing and filing with the Company a new Enrollment Agreement authorizing the payroll deductions.

Notwithstanding the foregoing, the Company may adjust a Participant's payroll deductions at any time during an Offering Period to the extent necessary to comply with Section 423(b)(8) of the Code and the limitations of Section (5). Payroll deductions will recommence and be made in accordance with the Outstanding Election in place prior to such Company adjustment starting with the first Offering Period that begins in the next calendar year (or such other time as is determined by the Administrator) unless (i) the Participant withdraws in accordance with Section (9), (ii) the Participant is withdrawn from the Plan in accordance with Section (14), or (iii) the Participant is otherwise ineligible to participate in the Plan.

- (9) **Withdrawal from Offering Period After Offering Date.** An Eligible Employee may withdraw from any Offering Period after the applicable Offering Date, in whole but not in part, at any time prior to the date specified by the Administrator or, if no such date is specified by the Administrator, the last Trading Day of such Offering Period, by submitting the prescribed withdrawal notice to the Company (or the Company's designee), in the format and pursuant to the process as prescribed by the Administrator. If a Participant withdraws from an Offering Period, the Participant's Option for such Offering Period will automatically be terminated, and the Company will refund in cash the Participant's entire Account balance for such Offering Period as soon as practicable thereafter. A Participant's withdrawal from a particular Offering Period shall be irrevocable. If a Participant wishes to participate in a subsequent Offering Period, he or she must re-enroll in the Plan by timely submitting a new Enrollment Agreement in accordance with Section (6).
- (10) **Purchase of Stock.** On the last Trading Day of each Offering Period, the Administrator shall cause the amount credited to each Participant's Account to be applied to purchase as many Shares (or, as applicable, fractions of a Share) pursuant to the Participant's Option as possible at the Purchase Price Per Share, subject to limitations of Sections (3) and (5). In no event may Shares be purchased pursuant to an Option more than twenty-seven (27) months after the Offering Date of such Option. The amount applied to purchase Shares pursuant to the Option shall be deducted from the Participant's Account. Any amounts remaining credited to the Participant's Account on the last Trading Day of the Offering Period shall be retained in the Participant's Account and rolled forward to the next Offering Period.

- (11) Interest on Payments. No interest shall be paid on sums withheld from a Participant's pay for the purchase of Shares under this Plan unless otherwise determined necessary by the Administrator.
- (12) Rights as Shareholder. A Participant will not be a shareholder or have any rights as a shareholder with respect to Shares subject to the Participant's Options issued under the Plan until the Shares are purchased pursuant to the Options and such Shares are transferred into the Participant's name on the Company's books and records.
- (13) Options Not Transferable. A Participant's Options under this Plan may not be sold, pledged, assigned, or transferred in any manner. If a Participant sells, pledges, assigns, or transfers his or her Options in violation of this Section (13), such Options shall immediately terminate, and the Participant shall immediately receive a refund of the amount then credited to the Participant's Account.
- (14) Deemed Cancellations.
 - (a) Termination of Service. In the event of a Participant's Termination of Service, (i) any outstanding Option held by the Participant shall immediately terminate; (ii) the Participant shall be withdrawn from the Plan; and (iii) the Participant shall receive a refund of the amount then credited to the Participant's Account.
 - (b) Death of a Participant. If a Participant dies, (i) any outstanding Option held by the Participant shall immediately terminate, and (ii) the Participant shall be withdrawn from the Plan. As soon as administratively practicable after the Participant's death, the amount then credited to the Participant's Account shall be remitted to the executor, administrator, or other legal representative of the Participant's estate or, if the Administrator permits a beneficiary designation, to the beneficiary or beneficiaries designated by the Participant if such designation has been filed with the Company or the Company's designee before such Participant's death. If such executor, administrator, or other legal representative of the Participant's estate has not been appointed (to the knowledge of the Company) or if the beneficiary or beneficiaries are no longer living at the time of the Participant's death, the Company, in its discretion, may deliver the outstanding Account balance to the spouse or to any one or more dependents or relatives of the Participant or to such other person as the Company may designate.
- (15) Application of Funds. All funds received by the Company in payment for Shares purchased under this Plan and held by the Company at any time may be used for any valid corporate purpose.
- (16) No Employment/Service Rights. Neither the action of the Company in establishing the Plan, nor any action taken under the Plan by the Board or the Administrator, nor any provision of the Plan itself, shall be construed so as to

grant any person the right to remain in the employ of the Company or any Subsidiary for any period of specific duration, and such person's employment may be terminated at any time, with or without cause.

- (17) Adjustments. Subject to Section (18), upon (or, as may be necessary to effect the adjustment, immediately prior to) any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split; any merger, combination, consolidation, or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of the Common Stock; or any exchange of Common Stock or other securities of the Company or any similar, unusual, or extraordinary corporate transaction in respect of the Common Stock, in each case, then the Administrator shall equitably and proportionately adjust (1) the number, amount, and type of Shares of Common Stock (or other securities) that thereafter may be made the subject of Options (including the specific Share limits, maximums, and numbers of Shares set forth elsewhere in the Plan), (2) the number, amount, and type of Shares of Common Stock (or other securities or property) subject to any outstanding Options, (3) the Purchase Price Per Share of any outstanding Options, and/or (4) the securities, cash, or other property deliverable upon exercise or payment of any outstanding Options, in each case to the extent necessary to preserve (but not increase) the level of incentives intended by the Plan and the then-outstanding Options.

It is intended that, if possible, any adjustments contemplated by the preceding paragraph be made in a manner that satisfies applicable legal, tax (including, without limitation and as applicable in the circumstances, Section 424 of the Code and Section 409A of the Code), and accounting (so as to not trigger any charge to earnings with respect to such adjustment) requirements.

Without limiting the generality of Section (4), any good faith determination by the Administrator as to whether an adjustment is required in the circumstances pursuant to this Section (17), and the extent and nature of any such adjustment, shall be final, conclusive, and binding on all persons.

- (18) Merger or Liquidation of Company. In the event the Company or its shareholders enter into an agreement to dispose of all or substantially all of the assets or outstanding capital stock of the Company by means of a sale, merger, or reorganization in which the Company will not be the surviving corporation (other than a reorganization effected primarily to change the State in which the Company is incorporated, a merger or consolidation with a wholly-owned Subsidiary, or any other transaction in which there is no substantial change in the shareholders of the Company or their relative stock holdings, regardless of whether the Company is the surviving corporation) or in the event the Company is liquidated, then all outstanding Options under the Plan shall automatically be exercised immediately prior to the consummation of such sale, merger, reorganization, or liquidation (deemed the end of the Offering Period in such case) by causing all amounts credited to each Participant's Account to be applied to purchase as many Shares pursuant to the Participant's Option as possible at the Purchase Price Per Share, subject to the limitations of Sections (3) and (5).

- (19) Acquisitions and Dispositions. The Administrator may, in its sole and absolute discretion and in accordance with principles under Section 423 of the Code, create special Offering Periods for individuals who become Eligible Employees solely in connection with the acquisition of another company or business by merger, reorganization, or purchase of assets, and notwithstanding Section (14), may provide for special purchase dates for Participants who will cease to be Eligible Employees solely in connection with the disposition of all or a portion of any Designated Subsidiary or a portion of the Company, which Offering Periods and purchase rights granted pursuant thereto shall, notwithstanding anything stated herein, be subject to such terms and conditions as the Administrator considers appropriate in the circumstances.
- (20) Government Approvals or Consents. This Plan and any offering and sales of Shares or delivery of Shares under this Plan to Eligible Employees hereunder are subject to any governmental or regulatory approvals or consents that may be or become applicable in connection therewith.
- (21) Plan Amendment, Suspension, and Termination. The Board may, from time to time, amend, suspend, or terminate the Plan in any manner it deems necessary or advisable; provided, however, that no such action shall adversely affect any then outstanding and vested Options under the Plan unless such action is required to comply with Applicable Laws; and provided, further, that no such action of the Board shall be effective without the approval of the Company's shareholders if such approval is required by Applicable Laws. Upon the termination of the Plan, any balance in a Participant's Account shall be refunded to him or her as soon as practicable thereafter.
- (22) Governing Law. The Plan shall be governed by, and construed in accordance with, the laws of the State of California (except its choice-of-law provisions) and applicable U.S. Federal laws.

APPLE INC.
NON-EMPLOYEE DIRECTOR STOCK PLAN

(as amended November 6, 2024)

On November 13, 2017, the Board adopted this Non-Employee Director Stock Plan (formerly known as the 1997 Director Stock Option Plan and the 1997 Director Stock Plan, and, as renamed, the "Plan"), subject to approval by the Company's shareholders at the Annual Meeting on February 13, 2018. The Plan was further amended by the Board as set forth herein, effective November 6, 2024. For the terms and conditions of the Plan applicable to an Award, refer to the version of the Plan in effect as of the date such Award was granted.

1. *PURPOSES.* The purposes of the Plan are to retain the services of qualified individuals who are not employees of the Company to serve as members of the Board and to secure for the Company the benefits of the incentives inherent in increased Common Stock ownership by such individuals by granting such individuals Awards in respect of Shares.

2. *ADMINISTRATION.* The Administrator shall be responsible for administering the Plan. Subject to the provisions of the Plan, the Administrator shall have the full authority, in its sole discretion, to take any actions it deems necessary or advisable for the administration of the Plan, including but not limited to:

- (a) determining the Fair Market Value for purposes of any Award;
- (b) approving any forms of Award Agreements to be used under the Plan;
- (c) amending any outstanding Awards;
- (d) construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and Non-Employee Directors under the Plan;
- (e) correcting any defect, supplying any omission or reconciling any inconsistency in the Plan or any Award Agreement;
- (f) adopting such rules or guidelines as it deems appropriate to implement the Plan;
- (g) authorizing any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously authorized by the Administrator or the Plan;
- (h) adjusting the number of shares subject to any Award, adjusting the price of any or all outstanding Options or otherwise changing previously imposed terms and conditions, in such circumstances as the Administrator may deem appropriate;
- (i) determining whether, and the extent to which, adjustments are required pursuant to Section 7 hereof; and
- (j) making all other decisions relating to the operation of the Plan.

Each interpretation, determination, or other action made or taken by the Administrator pursuant to the Plan shall be final and binding on all persons, and the Administrator's determinations under the Plan need not be the same for all persons. The Administrator shall not be liable for any action or determination made in good faith, and shall be entitled to indemnification and reimbursement in the manner provided in the Company's Articles of Incorporation and Bylaws as such documents may be amended from time to time.

3. *SHARES AVAILABLE; LIMITS.*

(a) *SHARE LIMIT.* Subject to the provisions of Section 7, the maximum number of Shares that may be issued under the Plan shall not exceed 11,200,000 Shares (the "Share Limit"). The stock issuable under the Plan shall be authorized and unissued Shares.

(b) *SHARE COUNT.* Shares issued pursuant to Restricted Stock Unit Awards shall count against the Share Limit as two (2) Shares for every one (1) Share issued in connection with the Award. Shares issued pursuant to the exercise of Options shall count against the Share Limit as one (1) Share for every one (1) Share to which such exercise relates. If Awards are settled in cash, the shares that would have been delivered had there been no cash settlement shall not be counted against the Share Limit. Except as provided in the next sentence, if Awards are forfeited or are terminated for any reason before settlement or exercise, then the Shares underlying such Awards shall again become available for Awards under the Plan, provided that any one (1) Share subject to a Restricted Stock Unit Award that is forfeited or terminated shall be credited as two (2) Shares when determining the number of Shares that shall again become available for Awards under the Plan. Shares that are exchanged by a Non-Employee Director or withheld by the Company as full or partial payment in connection with any Award under the Plan, as well as any Shares exchanged by a Non-Employee Director or withheld by the Company or one of its Subsidiaries to satisfy the tax withholding obligations related to any Award, shall not be available for subsequent Awards under the Plan.

(c) *LIMIT ON COMPENSATION.* In no event shall the compensation payable by the Company to a Non-Employee Director for services performed as a Non-Employee Director, including the grant date value (determined under U.S. generally accepted accounting principles) of Awards, cash retainers, and other compensation, exceed \$1,500,000 in the aggregate in any fiscal year.

4. *RESTRICTED STOCK UNITS.* Unless otherwise determined by the Administrator, each Non-Employee Director shall receive grants of Restricted Stock Units under the Plan subject to the following provisions of this Section 4 and the terms of any Award Agreement approved by the Administrator:

(a) *ANNUAL GRANTS.* On the date of each Annual Meeting immediately following which a Non-Employee Director is serving on the Board, such Non-Employee Director shall be automatically granted an Award of a number of Restricted Stock Units determined by dividing (i) \$310,000 (or such other amount as determined by the Board and subject to the limitations of the Plan) by (ii) the Fair Market Value of the Shares on the date of grant, such number to be rounded to the nearest whole number of Restricted Stock Units (each, an "Annual RSU Award").

(b) *INITIAL GRANTS.* Each Non-Employee Director who first becomes a Non-Employee Director at any time other than on the date of an Annual Meeting shall be automatically granted, on the date he or she first becomes a Non-Employee Director, an Award of a number of Restricted Stock Units determined by multiplying (i) the quotient obtained by dividing (A) the dollar amount applied under Section 4(a) with respect to Awards granted at the immediately preceding Annual Meeting by (B) the Fair Market Value of the Shares on the date of grant, by (ii) a fraction (A) the numerator of which shall be the number of days remaining in the 365-day period following the most recent Annual Meeting, and (B) the denominator of which shall be 365 (but in no event shall such fraction be greater than one (1)), such number to be rounded to the nearest whole number of Restricted Stock Units (each, an "Initial RSU Award"); provided, however, that a Non-Employee Director shall not be eligible to receive an Initial RSU Award if either (x) he or she was an employee of the Company or any of its Subsidiaries immediately prior to first becoming a Non-Employee Director, or (y) he or she first becomes a Non-Employee Director at any time on or after the February 1 following the last preceding Annual Meeting.

(c) *VESTING; TERMINATION OF SERVICE.* Except as otherwise provided in an Award Agreement at the time of grant, each Annual RSU Award shall fully vest on the February 1 that occurs in the fiscal year of the Company following the fiscal year in which the Award was granted. Each Initial RSU Award shall fully vest on the Vesting Date established for the Annual RSU Awards granted in connection with the last Annual Meeting to occur prior to the grant date of such Initial RSU Award. If the Non-Employee Director ceases to serve as a member of the Board for any reason other than the Non-Employee Director's death, the Non-Employee Director's Restricted Stock Units shall terminate to the extent such Restricted Stock Units have not become vested prior to the first date the Non-Employee Director is no longer a member of the Board, and the Non-Employee Director shall have no rights with respect to, or in respect of, such terminated Restricted Stock Units. If the Non-Employee Director ceases to serve as a member of the Board due to his or her death, the Non-Employee Director's unvested Restricted Stock Units shall fully vest as of the date of the Non-Employee Director's death.

(d) *SETTLEMENT OF RESTRICTED STOCK UNITS.* On or as soon as administratively practical following the applicable Vesting Date (and in all events not later than two and one-half months after the applicable Vesting Date), the Company shall deliver to the Non-Employee Director a number of Shares (as evidenced by an appropriate entry on the books of the Company or a duly authorized transfer agent of the Company) equal to the number of Restricted Stock Units that vested on the applicable Vesting Date. Upon settlement of any Restricted Stock Units in accordance with the foregoing provision of this Section 4(d) and settlement of any Dividend Equivalent Right in accordance with Section 4(f), the Non-Employee Director shall have no further rights with respect to any Restricted Stock Units that are so paid.

(e) *SHAREHOLDER RIGHTS.* A Non-Employee Director shall have no rights as a shareholder of the Company, no dividend rights (except as expressly set forth in Section 4(f) with respect to Dividend Equivalent Rights) and no voting rights with respect to the Restricted Stock Units or any Shares underlying or issuable in respect of such Restricted Stock Units until such Shares have been issued to the Non-Employee Director pursuant to Section 4(d). Except for any Dividend Equivalent Rights awarded pursuant to Section 4(f) or as provided in Section 7, no adjustment shall be made in respect of any Restricted Stock Units for dividends or distributions or other rights in respect of any share for which the record date is prior to the date upon which the Non-Employee Director shall become the holder of record of Shares related thereto.

(f) *DIVIDEND EQUIVALENT RIGHTS DISTRIBUTIONS.* As of any date that the Company pays an ordinary cash dividend on its Common Stock, the Company shall credit the Non-Employee Directors with a dollar amount equal to (i) the per Share cash dividend paid by the Company on its Common Stock on such date, multiplied by (ii) the total number of Restricted Stock Units (including as such total number may be adjusted pursuant to Section 7) subject to the Award that are outstanding immediately prior to the record date for that dividend (a "Dividend Equivalent Right"). Any Dividend Equivalent Rights credited pursuant to the foregoing provisions of this Section 4(f) shall be subject to the same vesting, settlement and other terms, conditions and restrictions as the Restricted Stock Units to which they relate; provided, however, that the amount of any vested Dividend Equivalent Rights shall be paid in cash. No crediting of Dividend Equivalent Rights shall be made pursuant to this Section 4(f) with respect to any Restricted Stock Units which, immediately prior to the record date for that dividend, have either been paid pursuant to Section 4(d) or terminated pursuant to Section 4(c).

5. OPTIONS.

(a) *NO ADDITIONAL GRANTS.* No Options shall be granted under the Plan unless and until the Board determines that the grant of Options is in the best interests of the Company and its shareholders.

(b) *EXERCISE PRICE.* The per share exercise price of each Option shall not be less than 100% of the Fair Market Value of a Share as of the date of grant of the Option determined in accordance with the provisions of the Plan.

(c) *VESTING.* Except as otherwise provided in an Award Agreement at the time of grant, Options shall be fully vested and immediately exercisable on their date of grant.

(d) *TERM OF OPTIONS.*

i. *TEN-YEAR TERM.* Each Option shall expire ten (10) years from its date of grant, subject to earlier termination as provided herein.

ii. *TERMINATION OF SERVICE.* Upon cessation of a Non-Employee Director's service as a member of the Board for any reason other than death, any of the Non-Employee Director's Options (or any portion thereof) that is not then vested shall terminate, and the Non-Employee Director shall have no rights with respect to, or in respect of, such terminated Options. If the Non-Employee Director ceases to serve as a member of the Board due to his or her death, the Non-Employee Director's Options shall fully vest as of the date of the Non-Employee Director's death.

iii. *EXERCISE FOLLOWING TERMINATIONS OF SERVICE.* If a Non-Employee Director ceases to be a member of the Board for any reason other than death, any Options granted to such Non-Employee Director that are exercisable at the time of the Non-Employee Director's termination may be exercised by such Non-Employee Director at any time within ninety (90) days after the date of such Non-Employee Director's termination of service, subject to the earlier expiration of such Options as provided for in Section 5(d)(i) above. At the end of such ninety-day period, any unexercised portion of the Option shall expire. If a Non-Employee Director ceases to be a member of the Board by reason of his or her death, all of the Options granted to the Non-Employee Director may be exercised by his or her Beneficiary at any time within three (3) years after the date of the Non-Employee Director's death, subject to the earlier expiration of such Options as provided for in Section 5(d)(i) above. At the end of such three-year period, any unexercised portion of the Option shall expire.

(e) *TIME AND MANNER OF EXERCISE OF OPTIONS.*

i. *NOTICE OF EXERCISE.* Subject to the other terms and conditions hereof, a Non-Employee Director may exercise any Option, to the extent such Option is vested, by giving written notice of exercise to the Company; provided, however, that in no event shall an Option be exercisable for a fractional share. The date of exercise of an Option shall be the later of (A) the date on which the Company receives such written notice and (B) the date on which the Non-Employee Director pays the applicable consideration pursuant to Section 5(e)(ii).

ii. *METHOD OF EXERCISE.* The consideration to be paid for the Shares to be issued upon exercise of an Option may consist of (A) cash, (B) check, (C) other Shares that have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which the Option shall be exercised, (D) delivery of a properly executed exercise notice together with irrevocable instructions to a broker to sell Shares and promptly deliver to the Company the amount of proceeds required to pay the exercise price, or (E) any combination of the foregoing methods of payment. Without limiting the generality of the

foregoing, any vested and exercisable Options may also be Net Exercised, to the extent permitted by the Administrator.

- iii. *SHAREHOLDER RIGHTS.* A Non-Employee Director shall have no rights as a shareholder with respect to any Shares issuable upon exercise of an Option until such Shares shall have been issued to the Non-Employee Director pursuant to Section 5(e), and, except as provided in Section 7, no adjustment shall be made to an Option or Share issued upon the exercise thereof for dividends, distributions or other rights in respect of any Share for which the record date is prior to the date upon which the Non-Employee Director shall become the holder of record thereof.

(f) *ISSUANCE OF SHARES.* Subject to the foregoing conditions, as soon as is reasonably practicable after its receipt of a proper notice of exercise and, if applicable, payment of the exercise price of the Option for the number of Shares with respect to which the Option is exercised, the Company shall deliver to the Non-Employee Director (or following the Non-Employee Director's death, the Beneficiary entitled to exercise the Option), at the principal office of the Company or at such other location as may be acceptable to the Company and the Non-Employee Director (or such Beneficiary), the appropriate number of Shares to be issued in connection with such exercise. Delivery of such Shares shall be evidenced by an appropriate entry on the books of the Company or a duly authorized transfer agent of the Company, or in such other manner that the Administrator shall specify from time to time. Shares sold in connection with a "cashless exercise" shall be delivered to the broker referred to therein in accordance with procedures established by the Company from time to time.

6. *RESTRICTIONS ON TRANSFER.* An Award may not be transferred, pledged, assigned, or otherwise disposed of, except by will or by the laws of descent and distribution; provided, however, that, with the approval of the Administrator, an Award may be transferred to a Non-Employee Director's family members or to one or more trusts established in whole or in part for the benefit of one or more of such family members. An Option shall be exercisable, during the Non-Employee Director's lifetime, only by the Non-Employee Director or by the individual or entity to whom the Option has been transferred in accordance with the previous sentence. No assignment or transfer of an Award, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, except by will or the laws of descent and distribution, shall vest in the assignee or transferee any interest or right in the Award, but immediately upon any attempt to assign or transfer the Award the same shall terminate and be of no force or effect.

7. *ADJUSTMENTS.*

(a) Upon (or, as may be necessary to effect the adjustment, immediately prior to) any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split; any merger, combination, consolidation or other reorganization; any spin-off, split-up, split-off or extraordinary dividend distribution in respect of the Common Stock; or any exchange of Common Stock or other securities of the Company, or any similar, unusual or extraordinary corporate transaction in respect of the Common Stock, the Administrator shall equitably and proportionately adjust (1) the number and type of Shares (or other securities) that thereafter may be made the subject of Awards (including the Share Limit, maximums and number of Shares set forth elsewhere in the Plan), (2) the number, amount and type of Shares (or other securities or property) subject to any outstanding Awards, (3) the exercise price of any outstanding Options, and/or (4) the securities, cash or other property deliverable upon exercise or settlement of any outstanding Awards, in each case to the extent necessary to preserve (but not increase) the level of incentives intended by the Plan and the then-outstanding Awards. Any good faith determination by the Administrator as to whether an adjustment is required in the

circumstances pursuant to this Section 7(a), and the extent and nature of any such adjustment, shall be conclusive and binding on all persons.

(b) It is intended that, unless otherwise determined by the Administrator, any adjustments contemplated by Section 7(a) be made in a manner that satisfies applicable legal, tax (including, without limitation and as applicable in the circumstances, Code Section 409A) and accounting (so as to not trigger any charge to earnings with respect to such adjustment) requirements.

(c) Any adjustment under this Section 7 need not be the same for all persons or Awards.

8. *CHANGE OF CONTROL.* Upon the occurrence of any Change of Control, any then outstanding Award automatically shall become vested or exercisable, as the case may be, with respect to a prorated portion of the number of Shares subject to such Award, determined as follows:

(a) *CLIFF-VESTING AWARDS.* If the Award has one scheduled Vesting Date, the portion of the Award with respect to the following number of Shares shall vest upon the Change of Control: (i) the number of Shares subject to such Award, multiplied by (ii) a fraction (A) the numerator of which is the number of days elapsed from and including the date the Award was granted to the date of the Change of Control, and (B) the denominator is the number of days from and including the date of grant to and including the scheduled Vesting Date.

(b) *INSTALLMENT-VESTING AWARDS.* If the Award has multiple scheduled Vesting Dates, the portion of the Award with respect to the following number of Shares shall vest upon the Change of Control: (i) the number of Shares subject to the portion of such Award that is scheduled to vest on the first Vesting Date that is scheduled to occur following the Change of Control, multiplied by (ii) a fraction (A) the numerator of which is the number of days elapsed following and excluding the most recent Vesting Date prior to the Change of Control, and (B) the denominator is the number of days from and excluding such most recent Vesting Date to and including the first Vesting Date that is scheduled to occur following the Change of Control.

9. *DESIGNATION OF BENEFICIARY.*

(a) *BENEFICIARY DESIGNATIONS.* Each Non-Employee Director may designate a Beneficiary to exercise an Option or receive settlement of an Award upon the Non-Employee Director's death by executing a Beneficiary Designation Form and delivering it to the Administrator.

(b) *CHANGE OF BENEFICIARY DESIGNATION.* A Non-Employee Director may change an earlier Beneficiary designation by executing a later Beneficiary Designation Form and delivering it to the Administrator. The execution of a Beneficiary Designation Form and its receipt by the Administrator shall revoke and rescind any prior Beneficiary Designation Form.

10. *TERMINATION AND AMENDMENT OF THE PLAN.*

(a) *TERMINATION.* Unless earlier terminated by the Board, the Plan shall terminate on November 12, 2027. Following such date, no further grants of Awards shall be made pursuant to the Plan.

(b) *GENERAL POWER OF BOARD.* Notwithstanding anything herein to the contrary, the Board may at any time and from time to time terminate, modify, suspend or amend the Plan in whole or in part (including amend the Plan at any time and from time to time, without

shareholder approval, to prospectively change the value and relative mixture of Restricted Stock Units and Options subject to Awards granted to Non-Employee Directors on the date of each Annual Meeting or upon becoming a Non-Employee Director and the methodology for determining the number of Shares to be subject to such Awards, each within the Share Limit and the individual limit set forth in Section 3, and the other terms and conditions applicable to such Awards) or, subject to Sections 10(c) and 10(d), amend the terms of any outstanding Award; provided, however, that no such termination, modification, suspension or amendment shall be effective without shareholder approval if such approval is required to comply with any applicable law or stock exchange rule; and provided further that the Board may not, without shareholder approval, increase the maximum number of Shares issuable under the Plan except as provided in Section 7. For avoidance of doubt, the Board may, without shareholder approval, provide on a prospective basis for grants under the Plan to consist of Options only, Restricted Stock Units only, or a combination of Options and Restricted Stock Units on such terms and conditions, subject to the Share Limit and the other express limits of the Plan, as may be established by the Board.

(c) *WHEN NON-EMPLOYEE DIRECTORS' CONSENTS REQUIRED.* The Board may not alter, amend, suspend or terminate the Plan, or amend the terms of any outstanding Award, without the consent of any Non-Employee Director to the extent that such action would adversely affect his or her rights with respect to Awards that have previously been granted, except to the extent such action is necessary to comply with applicable law or stock exchange listing rules or accounting rules.

(d) *NO REPRICING.* In no case (except due to an adjustment contemplated by Section 7 or any repricing that may be approved by shareholders) shall any action be taken with respect to the Plan or any Option hereunder that would constitute a repricing (by amendment, substitution, cancellation and regrant, exchange or other means, including any action that is treated as a repricing under U.S. generally accepted accounting principles) of the per Share exercise price of any Option.

11. *MISCELLANEOUS.*

(a) *NO RIGHT TO NOMINATION.* Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any of its members for reelection by the Company's shareholders, nor confer upon any Non-Employee Director the right to remain a member of the Board for any period of time, or at any particular rate of compensation.

(b) *REGULATORY REQUIREMENTS.* The Administrator may require each Non-Employee Director or any other person purchasing or acquiring Shares pursuant to the Plan to agree with the Company in writing that such Non-Employee Director is acquiring the Shares for investment and not with a view to the distribution thereof or provide such other assurances and representations to the Company as the Administrator may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements. Shares delivered under the Plan shall be subject to such stock-transfer orders and other restrictions as the Administrator may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission or any exchange upon which the Common Stock is then listed, and any applicable federal or state securities law. No Shares shall be issued hereunder unless the Company shall have determined that such issuance is in compliance with, or pursuant to an exemption from, all applicable federal and state securities laws.

(c) *EXPENSES.* The costs and expenses of administering the Plan shall be borne by the Company.

(d) *APPLICABLE LAW.* Except as to matters of federal law, the Plan and all actions taken thereunder shall be governed by and construed in accordance with the laws of the State of California without giving effect to conflicts of law principles.

(e) *SEVERABILITY.* If a court of competent jurisdiction holds any provision invalid and unenforceable, the remaining provisions of the Plan shall continue in effect.

(f) *SECTION HEADINGS; INTERPRETATION.* Captions and headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

(g) *AUTHORITY OF THE COMPANY AND SHAREHOLDERS.* The existence of the Plan shall not affect or restrict in any way the right or power of the Company or the shareholders of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or business of the Company or any Subsidiary, (ii) any merger, amalgamation, consolidation or change in the ownership of the Company or any Subsidiary, (iii) any issue of bonds, debentures, capital, preferred or prior preference stock ahead of or affecting the capital stock (or the rights thereof) of the Company or any Subsidiary, (iv) any dissolution or liquidation of the Company or any Subsidiary, (v) any sale or transfer of all or any part of the assets or business of the Company or any Subsidiary, (vi) the payment at the discretion of the Board of any type or form of compensation to Non-Employee Directors that may be made at law and without contravention of any requirement of the principal exchange upon which the Shares are traded, or (vii) any other corporate act or proceeding by the Company or any Subsidiary, whether of a similar character or otherwise. No Non-Employee Director, beneficiary or other person shall have any claim under any Award or Award Agreement against any member of the Board or the Company, or any employees, officers or agents of the Company or any Subsidiary, as a result of any such action.

12. *DEFINITIONS.* Capitalized words not otherwise defined in the Plan have the meanings set forth below:

"ADMINISTRATOR" means the Board. The Board may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or any of its Subsidiaries or to third parties.

"ANNUAL MEETING" means the first annual meeting of the Company's shareholders at which members of the Board are elected following the applicable fiscal year of the Company or the applicable date, as the context may require. By way of example, the Annual Meeting following the Company's 2016 fiscal year occurred on February 28, 2017.

"AWARD" means an award of Options or Restricted Stock Units under the Plan.

"AWARD AGREEMENT" means any agreement that evidences an Award granted under the Plan. Award Agreements shall consist of either (1) a written award agreement in a form approved by the Administrator, or (2) an electronic notice of award grant in a form approved by the Administrator and recorded by the Company (or its designee) in an electronic recordkeeping system used for the purpose of tracking award grants under the Plan generally, as the Administrator may provide and, in each case and if required by the Administrator, executed or otherwise electronically accepted by the recipient of the Award in such form and manner as the Administrator may require.

"BENEFICIARY" means an individual or entity designated by a Non-Employee Director on a Beneficiary Designation Form to exercise Options or receive settlement of Awards in the event of the Non-Employee Director's death; provided, however, that, if no such individual or entity is designated or if

no such designated individual is alive at the time of the Non-Employee Director's death, Beneficiary shall mean the Non-Employee Director's estate.

"BENEFICIARY DESIGNATION FORM" means a document, in a form approved by the Administrator to be used by Non-Employee Directors to name their respective Beneficiaries. No Beneficiary Designation Form shall be effective unless it is signed by the Non-Employee Director and received by the Administrator prior to the date of death of the Non-Employee Director.

"BOARD" means the Board of Directors of the Company.

"CHANGE OF CONTROL" means the occurrence of any one or more of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (an "Acquirer") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (1) the then outstanding Shares (the "Outstanding Company Common Stock") or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that for purposes of this subsection (i), the following acquisitions shall not constitute a Change of Control: (1) any acquisition directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any entity controlled by the Company, or (4) any acquisition by any entity pursuant to a transaction that complies with clauses (1), (2) and (3) of subsection (iii) of this definition;

(ii) A change in the composition of the Board such that the individuals who, as of February 13, 2018, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that, for purposes of this subsection (ii), any individual who becomes a member of the Board subsequent to February 13, 2018 whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered members of the Incumbent Board; provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of an Acquirer other than the Board shall not be considered a member of the Incumbent Board;

(iii) The consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any of its Subsidiaries or sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or securities of another entity by the Company or any of its Subsidiaries (a "Business Combination"), in each case, unless, following such Business Combination (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a noncorporate entity, equivalent securities), as the case may be, of the entity resulting from such Business Combination (including an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (2) no Acquirer (excluding any entity resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such entity resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of, respectively, the then outstanding shares of common stock (or, for a noncorporate entity,

equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors (or, for a noncorporate entity, equivalent body or committee) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

“CODE” means the Internal Revenue Code of 1986, as amended, and the applicable rules and regulations promulgated thereunder.

“COMMON STOCK” means the common stock of the Company or any other class of securities of the Company or any successor in interest thereto to which any award under the Plan relates by reason of an adjustment under Section 7.

“COMPANY” means Apple Inc., a California corporation, or any successor to substantially all of its business.

“EXCHANGE ACT” means the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations promulgated thereunder.

“FAIR MARKET VALUE” means, unless otherwise determined or provided by the Administrator in the circumstances, the last price (in regular trading) for a Share on the Nasdaq Stock Market (the “Market”) for the date in question or, if no sales of Shares were reported on the Market on that date, the last price (in regular trading) for a Share on the Market for the next preceding day on which sales of Shares were reported on the Market. The Administrator may, however, provide with respect to one or more Awards that the Fair Market Value shall equal the last price for a Share on the Market on the last trading day preceding the date in question or the average of the high and low trading prices of a Share on the Market for the date in question or the most recent trading day. If Shares are no longer listed or are no longer actively traded on the Market as of the applicable date, the Fair Market Value of a Share shall be the value as reasonably determined by the Administrator for purposes of the Award in the circumstances. The Administrator also may adopt a different methodology for determining Fair Market Value with respect to one or more Awards if a different methodology is necessary or advisable to secure any intended favorable tax, legal or other treatment for the particular Awards (for example, and without limitation, the Administrator may provide that Fair Market Value for purposes of one or more Awards shall be based on an average of closing prices (or the average of high and low daily trading prices) for a specified period preceding the relevant date).

“NET EXERCISED” shall mean the exercise of an Option or any portion thereof by the delivery to the person exercising such Option of the greatest number of whole Shares having a Fair Market Value on the date of exercise not in excess of the difference between the aggregate Fair Market Value of the Shares subject to the Option (or the portion of such Option then being exercised) and the aggregate exercise price for all such Shares under the Option (or the portion thereof then being exercised), with any fractional share that would result from such equation to be payable in cash.

“NON-EMPLOYEE DIRECTOR” means a member of the Board who is not an employee of the Company or any of its Subsidiaries.

“OPTION” means an option to purchase Shares awarded to a Non-Employee Director under the Plan.

“RESTRICTED STOCK UNIT” means a bookkeeping entry representing the equivalent of one Share, subject to the terms and conditions hereof, and represents an unfunded and unsecured obligation of the Company.

“SHARE” means one share of Common Stock.

“SUBSIDIARY” means any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Company. An entity that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

“VESTING DATE” means, with respect to a particular Award, the date on which the Award vests in whole or in part.

“VOTING SECURITIES” means, with respect to any corporation, securities of such corporation that are entitled to vote generally in the election of directors of such corporation.

CERTIFICATION

I, Timothy D. Cook, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apple Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: January 31, 2025

By: /s/ Timothy D. Cook
Timothy D. Cook
Chief Executive Officer

