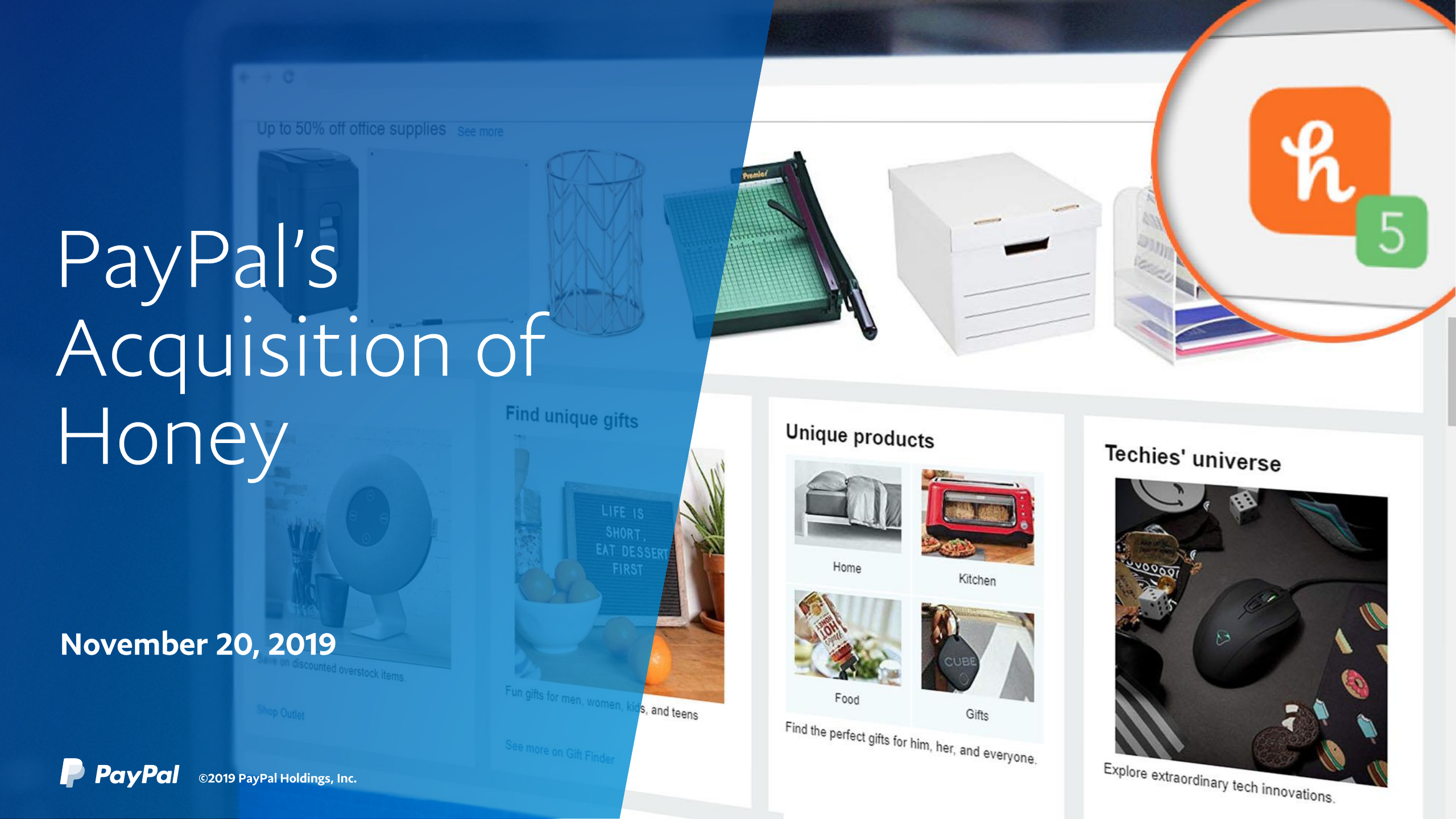
# PayPal's Acquisition of Honey

**November 20, 2019**

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# Forward Looking Statements

This presentation contains "forward-looking" statements within the meaning of applicable securities laws. Forward-looking statements and information relate to future events and future performance and reflect PayPal's expectations regarding the impact of this transaction on PayPal's and Honey Science Corporation's (Honey) financial and operating results and business, the operation and management of Honey after the acquisition, and the timing of the closing of the acquisition. Forward-looking statements may be identified by words such as "seek", "believe", "plan", "estimate", "anticipate", "expect", "project", "forecast", or "intend", and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions.

Forward-looking statements involve risks and uncertainties which may cause actual results to differ materially from the statements made, and, accordingly, readers should not place undue reliance on forward-looking statements and information. Factors that could cause or contribute to such differences include, but are not limited to, the timing and possible outcome of security holder and regulatory approvals in connection with the transaction, the possibility that the transaction may not close, the reaction to the transaction of Honey's customers and business partners, the reaction of competitors to the transaction, the retention of Honey's employees, PayPal's plans for Honey, economic and political conditions in the global markets in which PayPal and Honey operate, the future growth of PayPal's and Honey's businesses and the possibility that integration following the transactions may be more difficult than expected.

More information about these and other factors that could adversely affect PayPal's results of operations, financial condition and prospects or that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in PayPal Holdings, Inc.'s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other filings with the Securities and Exchange Commission (the "SEC"), and its future filings with the SEC.

All information in this presentation is as of November 20, 2019. For the reasons discussed above, you should not place undue reliance on the forward-looking statements in this presentation. PayPal expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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# On the Call Today



**DAN SCHULMAN**



**JOHN RAINEY**



**JEREMY JONKER**



**GABRIELLE RABINOVITCH**

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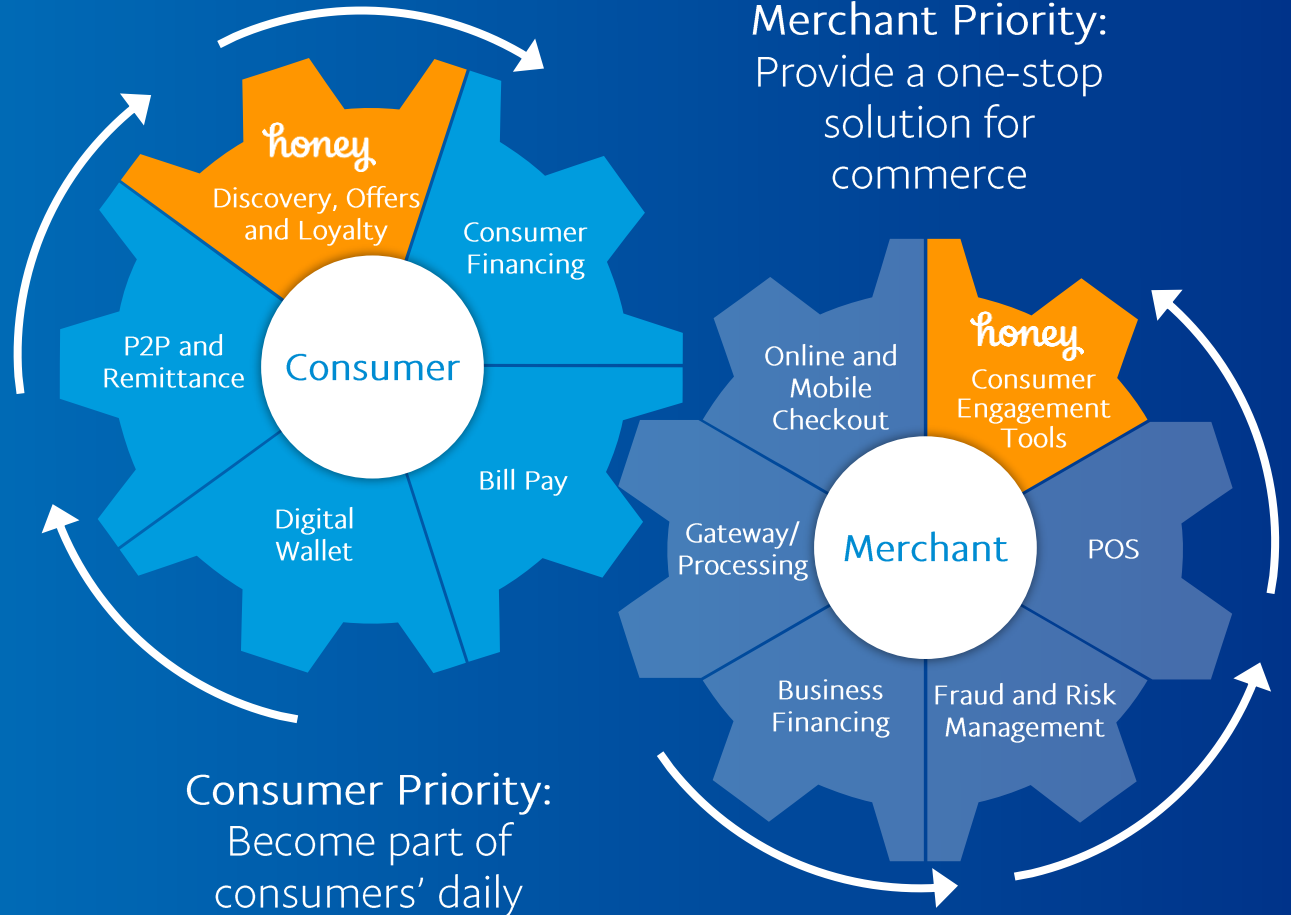
# Strategic Highlights

## Meaningfully advances PayPal's daily relevance to consumers and merchants

- Strengthens PayPal's consumer value proposition by adding product discovery, price-tracking, offers, loyalty, and unified checkout tools
- Drives increased sales and conversion through higher consumer engagement for PayPal's merchants
- Shifts PayPal beyond checkout, reaching consumers at the beginning of the shopping journey
- Gives Honey access to PayPal's ~300 million active accounts, including 24 million merchant accounts




**Merchant Priority:** Provide a one-stop solution for commerce

**Consumer Priority:** Become part of consumers' daily financial lives

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# Honey Overview

Driving increased conversion for merchants while helping consumers discover brands and save money

| Founded in 2012 by George Ruan and Ryan Hudson | Headquartered in Los Angeles, California | ~17M Monthly Active Users* in October 2019 |
|---|---|---|

## Consumer and Merchant Engagement Tools

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|---|---|
| Consumer Engagement Tools | • Web and mobile tool that automatically finds and applies savings across ~30,000 merchants<br>• Offers platform, financial tips, price-tracking tools and alerts |
| Loyalty Program (Honey Gold) | • Proprietary loyalty rewards program redeemable with leading retailers |
| Mobile App | • Allows consumers to browse, discover and buy from a variety of retailers through a unified checkout experience |

## Key Merchant Partners

AliExpress, Booking.com, DELL, Etsy, Expedia, hulu, KOHL'S, American Eagle Outfitters, macy's, priceline.com, SEPHORA, Walmart

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* Honey defines a monthly active user as a user who has installed the Honey web tool and during the month has visited one of Honey's merchants; metrics are not captured by PayPal's definition

# Transaction Overview

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|---|---|
| Transaction Consideration | • $4.0 billion purchase price on a cash-free / debt-free basis, subject to certain adjustments<br>• Cash consideration to be financed with available cash |
| Expected Financial Impact | • Adds another high-growth asset to PayPal's platform<br>• Expected to be accretive to non-GAAP EPS in FY 2021<br>• New KPIs will be finalized upon close |
| Management and Governance | • Honey co-founders, George Ruan and Ryan Hudson, and Honey team to join PayPal, reporting to John Kunze, Senior Vice President, Consumer Product and Technology<br>• Honey headquarters will remain in Los Angeles, California |
| Expected Closing | • Completion subject to customary closing conditions, including regulatory approvals<br>• Expected to close in Q1 2020 |
| Capital Allocation Priorities | • No change to previously announced capital allocation priorities |

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