

NEWS RELEASE

PayPal USD (PYUSD) Plans to Use Stellar for New Use Cases

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To extend everyday payments, remittances, and 'PayFi' solutions to millions of users and merchants

NEW YORK, June 11, 2025 /PRNewswire/ -- PayPal today announced plans to make the PayPal USD (PYUSD) stablecoin available on the Stellar network pending regulatory approval by the New York State Department of Financial Services (NYDFS)¹. Stellar is a blockchain designed for fast, low-cost payments and real-world utility. By potentially expanding to Stellar, PYUSD leverages the network's speed, low transaction costs, and ease of integration to enhance its utility for real-world payments, commerce, and micro-financing, offering an additional option to Ethereum and Solana.

PYUSD on Stellar can be used for fast, affordable cross-border payments and expanded access to essential financial services while bridging the digital and physical world with a vast array of on and off ramps. Users may also benefit from improved daily payment options and financing solutions such as working capital and business loans - use cases already thriving on the Stellar network - ultimately enabling a more seamless flow of value across global markets.

"For years, stablecoins have been deemed crypto's 'killer app' by combining the power of the blockchain with the stability of fiat currency. As we see cross border payments being a key area where digital currencies can provide real world value, working with Stellar will help advance the use of this technology and provide benefits for all users," said May Zabaneh, Vice President of the Blockchain, Cryptocurrency, and Digital Currency Group, PayPal.

An expansion on Stellar would give PYUSD users access to its vast network of on and off ramps, providing additional access through digital wallets, and connected to local payment systems and cash networks. Access to extensive Stellar infrastructure will enhance how people can use PYUSD in their everyday financial activities, from

payments to remittances to merchant services.

"Stellar is the network for fast, low-cost, and trusted global payments at scale. By bringing PYUSD to 170+ countries, we're transforming stablecoins into practical financial tools that millions of everyday users and merchants can actually use," shared Denelle Dixon, Chief Executive Officer of Stellar Development Foundation. "Together, we are bringing stable digital currency to small businesses and individuals in emerging markets all over the globe."

PYUSD on Stellar can also enhance liquidity and financing opportunities through Payment Financing or 'PayFi', an emerging innovation in digital finance. Small and medium-sized businesses that face delayed receivables or pre-funding requirements would be able to access new sources of real-time working capital, disbursed in PYUSD. This capital can be used to pay suppliers, manage inventory, or address other operational needs – with instant settlement on Stellar. Liquidity providers can fund these opportunities and earn potential, sustainable benefits from real-world economic activity.

PYUSD on Stellar can drive efficient modernized money movement, cost transparency, and minimize settlement delays by unlocking better borderless financial flows.

IMPORTANT DISCLOSURES

This press release is for informational purposes only and is not intended as financial, investment or other advice. The use and exchange of digital assets, including stablecoins such as PYUSD, may involve complex risks, including but not limited to:

- **Network & Custody Risks:** Transactions on blockchains – and the blockchains themselves – are subject to a range of operational, technological, and security risks. Users are responsible for safeguarding their private keys and/or working with reputable custodians/wallet providers; loss of access may lead to the permanent loss of funds.
- **Third-Party Reliance:** Digital assets rely on third-party blockchain software and network infrastructure. Neither PayPal nor Paxos Trust Company, LLC ("Paxos") has control over blockchain networks and is not liable for any blockchain's performance, security, or ongoing availability.
- **Redemption and Market Risk of Fiat-Backed Stablecoins:**

While PYUSD is designed to maintain a stable value of one U.S. dollar per token, this stability is not guaranteed in all circumstances. While PayPal, Paxos, and select partner account holders may be able to redeem PYUSD at one U.S. dollar, individuals or entities that hold PYUSD in external self-custody wallets or on third-party platforms do not have guaranteed access to this redemption mechanism. As a result, individuals or entities without access to direct redemption may be limited to selling PYUSD at market prices, which can fluctuate, potentially materially at times, above or below one U.S. dollar.

- **Regulatory Uncertainty:** Regulatory frameworks for digital assets are evolving. Availability or legality of digital asset services may change without notice, and services may be restricted, suspended, or terminated in certain jurisdictions as required by law or regulation.
- **No FDIC/SIPC Protection:** Digital assets, including PYUSD, are not insured by the Federal Deposit Insurance Corporation (FDIC) or the Securities Investor Protection Corporation (SIPC).
- **Terms & Conditions:** Use of PYUSD is subject to Paxos and PayPal's Terms & Conditions, including disclaimers to liability and user responsibilities. Transactions are irreversible once recorded on the blockchain. You are advised to review and understand all applicable terms.
- **Service Availability & Illegal Activity:** PYUSD and related payment services may be suspended or terminated due to events or investigations involving illegal activity, system failure, or other factors beyond PayPal's control.
- **Forward-Looking Statements:** Statements in this press release regarding potential product features, expansion plans, and regulatory outcomes are forward-looking and subject to change. Actual results may differ materially due to known and unknown risks, uncertainties, and other factors.

About PayPal USD (PYUSD)

PayPal USD is issued by Paxos Trust Company, a fully chartered limited purpose trust company. Paxos is licensed to engage in Virtual Currency Business Activity by the New York State Department of Financial Services. Reserves for PayPal USD are fully backed by U.S. dollar deposits, U.S. Treasuries and similar cash equivalents, and PayPal USD can be bought or sold through PayPal and Venmo at a rate of \$1.00 per PayPal USD.

PayPal, Inc. (NMLS ID #: 910457) is licensed to engage in Virtual Currency Business Activity by the New York State Department of Financial Services.

The Stellar Network

The Stellar network is a decentralized, fast, scalable, and uniquely sustainable blockchain built for financial products and services. It offers builders smart contracts functionality, and a protocol optimized for payments, with a design intended to keep fees low and to provide transaction speeds that can scale with increased adoption. Financial institutions and innovators worldwide issue assets and settle payments on the Stellar network, which has processed billions of operations with millions of accounts since the network was first launched.

1 Any materially new product, service, or activity requires approval from the NYDFS. As of June 11, 2025, the NYDFS has not provided any such approval.

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