

# Effect of Unrealized Losses in Strategic Investment Portfolio on Expected Q3'19 Results

- Q3'19 EPS guidance\* included an estimated \$0.03 benefit to GAAP and non-GAAP EPS attributable primarily to an expected Q3'19 unrealized gain in connection with the funding round of Toss, a privately-held company in our strategic investment portfolio.
- In early August, Toss' funding round closed and PayPal recognized an unrealized gain on its private investment benefitting EPS by approximately \$0.03.
- At the same time, PayPal's strategic investments in Uber and MercadoLibre resulted in unrealized losses in Q3'19, as their share prices declined by 34% and 10%, respectively
- For Q3'19, the aggregate unrealized loss in our strategic investment portfolio is \$228M pre-tax and \$177M after-tax, representing a negative \$0.15 EPS impact to both GAAP and non-GAAP results

## Guidance Provided on 7/24/19

<b>GAAP EPS:</b>	\$0.32 - \$0.35	} \$0.03 benefit assumed in these guidance ranges from an expected unrealized gain attributable primarily to a strategic investment in Toss, a privately-held payments platform in South Korea
<b>Non-GAAP EPS:</b>	\$0.69 - \$0.71	

