



November 10, 2017

## TIO Networks Suspends Operations to Protect Customers

### Security Vulnerabilities Detected on TIO Networks

SAN JOSE, Calif.--(BUSINESS WIRE)-- PayPal Holdings, Inc. (Nasdaq: PYPL) announced that TIO Networks (TIO), a publicly traded company PayPal acquired in July 2017, has suspended operations to protect TIO's customers. This suspension of services is a result of PayPal's discovery of security vulnerabilities on the TIO platform and issues with TIO's data security program that do not adhere to PayPal's information security standards. TIO is not integrated into PayPal's platform. The PayPal platform is not impacted by this situation in any way and PayPal's customers' data remains secure.

Upon the recent discovery of this vulnerability on the TIO platform, PayPal took action by initiating an internal investigation of TIO and bringing in additional third-party cybersecurity expertise to review TIO's bill payment platform. A focus of the investigation will also include TIO's practices and representations prior to the acquisition.

While we apologize for any inconvenience this suspension of services may cause, the security of TIO's systems and the protection of TIO's customers are our highest priorities. We are working with the appropriate authorities to safeguard TIO customers.

Our investigation is ongoing. We will communicate with TIO customers and merchant partners directly as soon as we have more details. Customer updates will also be posted at [www.tio.com](http://www.tio.com).

### About PayPal

Fueled by a fundamental belief that having access to financial services creates opportunity, PayPal (Nasdaq: PYPL) is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our open digital payments platform gives PayPal's 218 million active account holders the confidence to connect and transact in new and powerful ways, whether they are online, on a mobile device, in an app, or in person. Through a combination of technological innovation and strategic partnerships, PayPal creates better ways to manage and move money, and offers choice and flexibility when sending payments, paying or getting paid. Available in more than 200 markets around the world, the PayPal platform, including Braintree, Venmo and Xoom, enables consumers and merchants to receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in their PayPal accounts in 25 currencies. For more information on PayPal, visit <https://www.paypal.com/about>. For PayPal financial information, visit <https://investor.paypal-corp.com>.

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