This presentation contains forward-looking statements within the meaning of the federal securities laws. Forward-looking statements include statements relating to our financial guidance for the first quarter of 2021 and key drivers thereof, the uncertain impacts that the COVID-19 pandemic may have on our business and operating results, the impact of our strategy, marketing and product initiatives on our business and operating results and the size and our ability to capitalize on our large market opportunity. Forward-looking statements include all statements that are not historical facts. In some cases, forward-looking statements can be identified by terms such as "aim," "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "will," or similar expressions and the negatives of those words.

Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. These risks and uncertainties include: (1) our ability to continue our rapid growth; (2) risks related to the ongoing COVID-19 pandemic, which continues to impact our business and results of operations in numerous ways that remain volatile and unpredictable; (3) the fluctuation of our quarterly operating results; (4) our failure to meet our publicly announced guidance or other expectations; (5) our ability to successfully execute on our business strategy or if our strategy proves to be ineffective; (6) our ability to attract and retain an active and engaged community of sellers and buyers; (7) macroeconomic events that are outside of our control; (8) our ability to recruit and retain employees; (9) the importance to our success of the trustworthiness of our marketplaces and the connections within our community; (10) our ability to enhance our current offerings and develop new offerings to respond to the changing needs of sellers and buyers; (11) the effectiveness of our marketing efforts; (12) the effectiveness of our mobile solutions for sellers and buyers; (13) our ability to expand our business in our core geographic markets; (14) regulation in the area of privacy and protection of user data; (15) our dependence on third-party payment providers; (16) acquisitions that may prove unsuccessful or divert management attention; and (17) the potential misuse or disclosure of sensitive information about members of our community and the potential for cyber-attacks. These risks and uncertainties are more fully described in our filings with the Securities and Exchange Commission, including in the section entitled "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and subsequent reports that we file with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur.

Forward-looking statements represent our beliefs and assumptions only as of the date of this press release. We disclaim any obligation to update forward-looking statements.
2020 was a transformative year for Etsy ...
We delivered spectacular 2020 financial results

GMS
$10.3B
+106% Y/Y
Currency-Neutral

Revenue
$1.7B
+111% Y/Y

Adjusted EBITDA$549M
~32% Adj. EBITDA Margin

1Reconciliation of non-GAAP financial measures is contained in the appendix
All results are consolidated and include Reverb financial results
Incredible, sustained growth of e-commerce... with 2020 inflection point and momentum as shopping behavior shifts from offline to online.

*E-commerce industry benchmark: Census Bureau of the Department of Commerce
Estimated Quarterly Total E-commerce Sales
Etsy outpaced e-commerce growth by more than 2.5X
Etsy is now one of the most recognized e-commerce brands in the U.S.

4th largest e-commerce site by monthly visits in the U.S.¹

¹Data based on the top e-commerce platforms in the US in 2020 and their estimated monthly traffic according to disfold.com
We continue to expand our global reach; making Etsy and our brand top of mind.

Etsy 2020 U.K.  
GMS Growth  
+189%  
>70% domestic\(^1\)

Etsy 2020 Germany  
GMS Growth  
+109%  
>50% domestic\(^1\)

According to Comscore, in the fourth quarter Etsy became a top five e-commerce website in the U.K.

Germany is Etsy’s second largest international core geography.

Q420 Percent  
International GMS  
41%  
+152% Y/Y

\(^1\)Domestic GMS is the percentage of sales that occur between a buyer and seller located in the same country. U.K. and Germany growth reflects buyer GMS growth in both markets. Metrics represented are for the Etsy standalone marketplace and do not include Reverb.
Truly one-of-a-kind ability to meet rapidly evolving buyer needs

What did 2020 look like on Etsy?

Search trends on Etsy have been as unexpected as this unusual year

Getting Organized:
New year, new tidying trends
- Hanging shelves 9000%
- Storage baskets 4139%

Essentials for the New Normal:
Everyday items take priority as the pandemic begins
- Cotton face mask 2546%
- Hand sanitizer 2392%
- Paint by number kits 1547%
- Beginner crossstitch kits 735%

Take Things Outdoor:
Backyards become the new living rooms
- Garden boxes 2851%
- Seed kits 2330%
- Grill gifts 1737%

Weddings Reimagined:
Celebrating safely
- Wedding face mask 1004%
- Bride face mask 1985%
- Pet supplies 3676%

Seeking Comfort:
Fall kicks off with baking and new furry friends
- Bake 462%
- 'Smore 2372%

A Very 2020 Holiday:
Personalized gifting, DIY decor, and outdoor gatherings on the rise
- Personalized or custom gifts 105%
- Christmas crochet patterns 238%
- Outdoor lighting 830%

Bright Winter Additions:
Cheerful accents to undo winter blues
- Boho jewelry 538%
- Glass terrariums 615%
- Raw stone ring 1653%
- Air plant holder 1197%

Isolation Inspires Creativity:
Shoppers explore new ways to stay entertained
- Board games 1522%
- Measuring spoons 2564%
- 'Cat face mask 3902%

Standing with BlackLivesMatter:
Etsy highlights support for Black-owned shops
- Black-owned shops 2968%

WFH Habits:
Remote work becomes the new normal
- Home offices 858%

Early Holiday Cheer:
Making the holiday season a little brighter
- Hot chocolate bombs 5380%
- Advent wreaths 1850%
- Succulent trees 6776%

"Personalized gift" was the top searched term on Etsy in 2020.
Resulting in dramatic growth in our buyer segments

Active Buyers

+77%

We added 2X more new buyers compared to last year...

...and grew Habitual buyers even faster!

+157%

This slide contains Etsy Marketplace buyers only
Active Buyers and buyer segments are rounded to the nearest whole number
Transforming our seller community... growing the pie for many

Active Sellers

4.1M
+64% Y/Y

TTM GMS per Seller

$2,281
+22% Y/Y

2.5M
4.1M

$1,865
$2,281

2019
2020
2019
2020

Etsy advocated for sellers on topics such as Covid-19 relief, tax legislation and product liability; we made significant improvements to member support operations

This slide contains Etsy Marketplace seller information only
Our team increased productivity, while remote, making Etsy a better place to shop.

**Experiment Velocity**

2019

2020

+16%

**Productivity Highlights**

*Strong execution of our product roadmap* despite shifting to a remote work environment and changing requirements.

Product hit rate - *the success of our experiments* - also improved.

This slide contains data for Etsy Marketplace only.
We’re evolving our capabilities and driving to best-in-class search . . .

. . . and continue to make meaningful progress in helping buyers find what they are looking for

% of purchases on the first page of search results

% of purchase visits with a query reformulation

*Measures the percentage of purchase visits when a buyer updates a search query
Making significant wins in Search and Product that demonstrate focused execution
Etsy’s brand is better known globally than ever before - supported by new Marketing strategies and focused spending.
Our meaningful investments in customer support enabled us to keep pace with growth...

...and build trust through human connections

Support Volume*

<table>
<thead>
<tr>
<th></th>
<th>Q4 ‘18</th>
<th>Q4 ‘19</th>
<th>Q4 ‘20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>69%</td>
<td>68%</td>
<td>71%</td>
</tr>
<tr>
<td>+17%</td>
<td>+76%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Buyer Support
%

Real Time Coverage (phone/chat)

<table>
<thead>
<tr>
<th></th>
<th>Q4 ‘18</th>
<th>Q4 ‘20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage</td>
<td>26%</td>
<td>73%</td>
</tr>
</tbody>
</table>

This slide contains data for Etsy Marketplace only

*Support Volume includes connections between buyers and sellers across all channels

Customer Effort Score measures the satisfaction of issue resolution among buyers
Our Right to Win strategy is more relevant than ever

Best-in-Class Search and Discovery

Human Connections

A Trusted Brand

Our Sellers’ Collection of Unique Items
We’ll leverage recommendations and new pathways to create more holistic and personalized search experiences.

**Search**
Discovery, even when I don’t have the words to describe the item

**Inspiration**
Surprise and inspire me

**Personalization**
Tailor items to my tastes and preferences
And we’ll work to make shopping on Etsy ever more HUMAN

Including leveraging the power of Video for storytelling

**Listing Videos**

- **Videos uploaded¹**
  - **3.2M**

- **Q2**
  - 211k

- **Q3**
  - 1.3M

- **Q4**
  - 1.7M

¹Listing videos uploaded as of December 31, 2020
We’re also making investments aimed at deepening trust and giving buyers confidence in the post purchase experience.

## Meeting Delivery Expectations

<table>
<thead>
<tr>
<th>Expectations</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Speed Expectations</strong></td>
<td>Ensure expected delivery date is clear to buyers</td>
</tr>
<tr>
<td><strong>Delivery Predictability</strong></td>
<td>Provide buyers transparency into order status from production through delivery</td>
</tr>
<tr>
<td><strong>Issue Resolution</strong></td>
<td>Further streamlining where to go and what to do if something goes wrong</td>
</tr>
<tr>
<td><strong>Seller Reputation</strong></td>
<td>Fulfillment standards are clear, and sellers understand how their performance impacts shop visibility</td>
</tr>
</tbody>
</table>
Reverb’s growth ambitions are focused on these key differentiators:

- Depth and breadth of inventory
- Range of sellers
- Expertise
- Community of players

2021 areas of focus

- Investing in **product development infrastructure**
- Improving the **user experience** for buyers and sellers
- Expanding the **efficiency of our marketing** investments
- Building **deeper relationships with manufacturers**
Stakes are higher than ever to Keep Commerce Human

**Economic Impact**
Make creative entrepreneurship a path to economic security and personal empowerment

**Social Impact**
Enable equitable access to the opportunities we create

**Ecological Impact**
Build long-term resilience by eliminating our carbon impacts and fostering responsible resource use
We are committed to growing sustainably by aligning our mission with our business and impact strategies

<table>
<thead>
<tr>
<th>Economic Impact</th>
<th>Social Impact</th>
<th>Ecological Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Etsy sellers contributed $13B to the U.S. economy in 2020 +142% vs 2018 baseline and created 2.6M jobs</td>
<td><strong>2019</strong></td>
<td><strong>2020</strong></td>
</tr>
<tr>
<td>Total URM(^1)</td>
<td>11.0%</td>
<td>12.5%</td>
</tr>
<tr>
<td>Leadership URM(^2)</td>
<td>4.5%</td>
<td>8.6%</td>
</tr>
<tr>
<td>In Q420, 59% of images with a human element developed by our creative team had black or brown skin tone representation.</td>
<td></td>
<td>We sourced 100% of our electricity from renewable energy in 2020</td>
</tr>
<tr>
<td>We’ve set an ambitious new commitment of Net Zero emissions by 2030</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Slide shows a few examples of our progress. Further Impact disclosures are in our 2020 Annual Report on Form 10K.

\(^1\)URM is defined as “underrepresented minorities” or those that identify as Black, Latinx, or Native American. Total URM represents the U.S. URM population.

\(^2\)Leadership URM reflects both Etsy and Reverb employees
We had a very strong fourth quarter...

**GMS**

$3.6B

+118% Y/Y

**Revenue**

$617M

+129% Y/Y

**Adjusted EBITDA\(^1\)**

$192M

~31% Margin

---

\(^1\) Reconciliation of non-GAAP financial measures is contained in the appendix

Consolidated financial results
Record holiday performance contributed to strong 2020 finish

135% increase in “Holiday”* GMS compared to 2019

$50,000 in GMS per minute and over 150% y/y growth on Small Business Saturday

226% y/y growth in Homewares & Home Furnishings, our largest and fastest growing category during the “Holiday”* period

* “Holiday” represents the five days from Thanksgiving through Cyber Monday
Tremendous growth in our traditional top categories

2020 Category GMS ($B) and Y/Y Growth*

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homewares &amp; Home Furnishings</td>
<td>$3.2</td>
<td>$3.2</td>
<td>+118%</td>
</tr>
<tr>
<td>Jewelry &amp; Personal Accessories</td>
<td>$1.6</td>
<td>$1.2</td>
<td>+57%</td>
</tr>
<tr>
<td>Craft Supplies</td>
<td>$1.2</td>
<td>$1.2</td>
<td>+102%</td>
</tr>
<tr>
<td>Apparel</td>
<td>$1.0</td>
<td>$1.0</td>
<td>+60%</td>
</tr>
<tr>
<td>Paper &amp; Party Supplies</td>
<td>$0.4</td>
<td>$0.4</td>
<td>+32%</td>
</tr>
<tr>
<td>Beauty &amp; Personal Care</td>
<td>$0.2</td>
<td>$0.2</td>
<td>+180%</td>
</tr>
</tbody>
</table>

*Category GMS $ excludes face mask sales and is Etsy marketplace only
Chart data is reflected based on 2020 Category GMS $
Non-mask GMS growth accelerated in Q4

As a % of overall GMS, masks contracted from 14% in Q2 and 11% in Q3 to 4% in Q4

50% of the 3M mask-only buyers in Q3 returned in Q4 for a non-mask purchase

2020 Mask GMS ($M)

$743

$133

Q4 GMS Contribution ~4% of GMS

Non-Mask GMS Y/Y Growth

Q2 93%

Q3 93%

Q4 118%

This slide contains Etsy Marketplace performance only
Marketplace vs Services Revenue

4Q 2020 CONSOLIDATED REVENUE $617M, UP 129% YoY

Marketplace
- 76.7%
- $473.6M
  up 149.7% YoY

Services Revenue
- 23.3%
- $143.8M
  up 79% YoY

Marketplace Revenue
(Required fees)
- Listing Fee
- Transaction Fee
- Payments Platform
- Offsite Ads Transaction Fee

Services Revenue
(Optional value-added services)
- Advertising - Etsy Ads and Bump
- Shipping Labels
- Other

All results are consolidated
Etsy and Reverb transaction fees include shipping fees
Etsy Payments (3-4.5% +flat fee) plus Reverb Payments (2.5-2.7% +flat fee)
Offsite Ads launch has been successful for Etsy and our sellers.

9% of 2H20 Etsy standalone GMS earned an Offsite Ads fee.
Scaling our growth investments while delivering great returns

Marketing as a % of GMS vs Active Buyer Growth

Reflects Consolidated results
Brand spend includes non-digital acquisition marketing
The impact of our product investments are evident in GMS growth.
GMS per active buyer continues to show meaningful improvement

Active Buyers

81M
+77% y/y

11% of repeat buyers in Q3 became Habitual Buyers in Q4 - we now have 6.5M Habitual Buyers!

Metrics represented are for the Etsy standalone marketplace and do not include Reverb

TTM GMS per Active Buyer reflects results from the Etsy standalone marketplace
Buyer segments exhibit tremendous growth

Metrics represented are for the Etsy standalone marketplace and do not include Reverb.

*Repeat Buyers exclude Habitual Buyers and are those that made 2+ purchases in the TTM.
2020 led to meaningful improvement in historical cohort behavior.

### Historical Cohorts: 2020 GMS per Buyer

<table>
<thead>
<tr>
<th>Year</th>
<th>GMS per Buyer</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$55.7</td>
<td>63%</td>
</tr>
<tr>
<td>2016</td>
<td>$50.2</td>
<td>65%</td>
</tr>
<tr>
<td>2017</td>
<td>$44.6</td>
<td>64%</td>
</tr>
<tr>
<td>2018</td>
<td>$41.4</td>
<td>52%</td>
</tr>
<tr>
<td>2019</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

1. 2020 GMS per buyer by cohort from 2015 - 2019 excluding mask sales

The chart above represents 2020 GMS per buyer, excluding masks, from the previous five annual cohorts.
Capital light business model delivers strong EBITDA and Free Cash Flow

Cash Balance 12/31/20\(^1\)

$1.7B

\(^1\)Cash and Cash Equivalents, and Short Term Investments

\(^2\)Reconciliation of non-GAAP financial measures is contained in the Appendix. Free Cash Flow is based on trailing twelve month operating cash flow, PP&E, and development of internal use software

Under Etsy’s stock repurchase program, in the fourth quarter Etsy repurchased an aggregate of approximately $77.5 million, or 618,841 shares of its common stock
Guidance for GMS, Revenue and Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th>Q1 21 Consolidated Guidance</th>
<th>February 25, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GMS ($)</strong></td>
<td>~$2.9B-$3.1B</td>
<td></td>
</tr>
<tr>
<td><strong>GMS Growth (%)</strong></td>
<td>115% - 125%</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue ($)</strong></td>
<td>~$513M-$536M</td>
<td></td>
</tr>
<tr>
<td><strong>Revenue Growth (%)</strong></td>
<td>125% - 135%</td>
<td></td>
</tr>
<tr>
<td><em><em>Adj. EBITDA</em> ($)</em>*</td>
<td>~$168M-$178M</td>
<td></td>
</tr>
<tr>
<td><strong>Adj. EBITDA Margin (%)</strong></td>
<td>32% - 34%</td>
<td></td>
</tr>
</tbody>
</table>

*Reconciliation of non-GAAP financial measures is contained in the Appendix. We are not able at this time to provide GAAP targets for net income or net income margin or to reconcile Adjusted EBITDA or Adjusted EBITDA margin to those amounts because of the unreasonable effort of estimating certain items that are excluded from non-GAAP Adjusted EBITDA, including, for example, provision or benefit for income taxes and foreign exchange gain or loss, the effect of which may be significant.

Adjusted EBITDA margin assumes the midpoint of our revenue guidance.

Key factors potentially impacting our Q1 2021 guidance are contained in the Appendix.
Investing in the future... hiring has yet to catch up with our growth and scale.

**Average Revenue per Employee**

- **FY 2016**: $380,000
- **FY 2017**: $490,000
- **FY 2018**: $730,000
- **FY 2019**: $800,000
- **FY 2020**: $1,450,000

*Peer Group Average includes select marketplace peers
Average Revenue per Employee is based on the Etsy Standalone marketplace.
Q&A
Appendix
Continued increase in new buyers, and reactivation of our large base of buyers.

Etsy Standalone results as of December 31, 2020, which exclude Reverb buyers.

2020 Buyer Segments:
- **New and Reactivated Buyers**:
  - ~61M
  - +92% Y/Y
  - Never shopped on Etsy or who haven’t shopped on Etsy in prior 12 months
- **Active Buyers**:
  - 81M
  - +77% Y/Y
  - Half of Total Buyers purchased at least once in the past year
- **Total Buyers**:
  - 150M
  - All-time buyers on the Etsy platform
Key factors impacting our Q1 Guidance

We anticipate that the key factors impacting Q1 GMS and revenue growth will be:

- Headwinds and tailwinds, including but not limited to the following: macro factors including the shift in spend from offline to online, economic environment, competitive dynamics, retail store closures, consumer confidence, government stimulus, job losses and weather events; and Etsy-specific factors including demand for face masks and mask adjacent items, frequency of new buyer cohorts, and the year-over-year comparisons from a period of negative growth rates that spanned from mid to late March 2020.
- Continued visit growth and conversion rate improvements driven by global product launches enhancing the buying experience.
- Incremental GMS and brand awareness from marketing investments.
- The continued impact from Offsite Ads, which is expected to generate incremental revenue in the form of an advertising fee from sellers.
- Additional external factors that may offset some growth include: changes to sales taxes and VAT, regulatory changes, currency fluctuations, global elections and political uncertainty, and the potential for geopolitical events that impact trade and mindshare, including, among other things, the COVID-19 pandemic.

We anticipate that the key factors impacting our Q1 Adjusted EBITDA will be:

- Planned investments in product development, employees, technology infrastructure, and marketing, including investments in channels with more speculative and/or long-term returns.

*These and other risks and uncertainties are more fully described in our filings with the SEC.*
## Condensed Consolidated Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th>4Q20</th>
<th>4Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$617,355</td>
<td>$269,998</td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td>150,780</td>
<td>90,824</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>466,575</td>
<td>179,174</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>210,765</td>
<td>84,034</td>
</tr>
<tr>
<td><strong>Product development</strong></td>
<td>51,157</td>
<td>35,701</td>
</tr>
<tr>
<td><strong>General and administrative</strong></td>
<td>43,318</td>
<td>34,401</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>305,240</td>
<td>154,136</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>161,335</td>
<td>25,038</td>
</tr>
<tr>
<td><strong>Other expense, net</strong></td>
<td>(8,028)</td>
<td>(2,287)</td>
</tr>
<tr>
<td><strong>(Provision) benefit for income taxes</strong></td>
<td>(4,769)</td>
<td>8,540</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$148,538</td>
<td>$31,291</td>
</tr>
<tr>
<td><strong>Net income per share — diluted</strong></td>
<td>$1.08</td>
<td>$0.25</td>
</tr>
</tbody>
</table>
## Condensed Consolidated Statement of Operations

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>(in thousands)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$1,725,625</td>
<td>$818,379</td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td>464,745</td>
<td>271,036</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>1,260,880</td>
<td>547,343</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>500,756</td>
<td>215,570</td>
</tr>
<tr>
<td><strong>Product development</strong></td>
<td>180,080</td>
<td>121,878</td>
</tr>
<tr>
<td><strong>General and administrative</strong></td>
<td>156,035</td>
<td>121,134</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td>836,871</td>
<td>458,582</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td>424,009</td>
<td>88,761</td>
</tr>
<tr>
<td><strong>Other expense, net</strong></td>
<td>(58,300)</td>
<td>(8,115)</td>
</tr>
<tr>
<td><strong>(Provision) benefit for income taxes</strong></td>
<td>(16,463)</td>
<td>15,248</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$349,246</td>
<td>$95,894</td>
</tr>
<tr>
<td><strong>Net income per share — diluted</strong></td>
<td>$2.69</td>
<td>$0.76</td>
</tr>
</tbody>
</table>
## Condensed Consolidated Statement of Cash Flows

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Income</strong></td>
<td>$349,246</td>
<td>$95,894</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>678,956</td>
<td>206,920</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(11,379)</td>
<td>(488,373)</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>119,282</td>
<td>359,607</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes on cash</strong></td>
<td>13,947</td>
<td>(1,846)</td>
</tr>
<tr>
<td><strong>Net increase in cash, cash equivalents, and restricted cash</strong></td>
<td>800,806</td>
<td>76,308</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents, and restricted cash at the beginning of the period</strong></td>
<td>448,634</td>
<td>372,326</td>
</tr>
<tr>
<td><strong>Cash, cash equivalents, and restricted cash at the end of the period</strong></td>
<td>$1,249,440</td>
<td>$448,634</td>
</tr>
</tbody>
</table>
## Condensed Consolidated Balance Sheets

As of December 31, 2020  As of December 31, 2019

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,244,099</td>
<td>$443,293</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>425,119</td>
<td>373,959</td>
</tr>
<tr>
<td>Funds receivable and seller accounts</td>
<td>146,806</td>
<td>49,786</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>22,605</td>
<td>15,386</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>112,495</td>
<td>144,864</td>
</tr>
<tr>
<td>Other current and non-current assets</td>
<td>453,365</td>
<td>515,064</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$2,404,489</strong></td>
<td><strong>$1,542,352</strong></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$40,883</td>
<td>$26,324</td>
</tr>
<tr>
<td>Funds payable and amounts due to sellers</td>
<td>146,806</td>
<td>49,786</td>
</tr>
<tr>
<td>Long-term debt, net</td>
<td>1,062,299</td>
<td>785,126</td>
</tr>
<tr>
<td>Other current and non-current liabilities</td>
<td>412,077</td>
<td>274,482</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,662,065</strong></td>
<td><strong>1,135,718</strong></td>
</tr>
<tr>
<td><strong>Total stockholders’ equity</strong></td>
<td><strong>742,424</strong></td>
<td><strong>406,634</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and stockholders’ equity</strong></td>
<td><strong>$2,404,489</strong></td>
<td><strong>$1,542,352</strong></td>
</tr>
</tbody>
</table>
# Reconciliation of Quarterly Net Income to Adj. EBITDA

### (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>4Q20</th>
<th>4Q19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$148,538</td>
<td>$31,291</td>
</tr>
<tr>
<td><strong>Excluding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and other non-operating expense, net</td>
<td>10,818</td>
<td>6,372</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>4,769</td>
<td>(8,540)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>13,101</td>
<td>15,271</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>17,450</td>
<td>13,339</td>
</tr>
<tr>
<td>Foreign exchange gain</td>
<td>(2,790)</td>
<td>(4,085)</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>103</td>
<td>976</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>$191,989</strong></td>
<td><strong>$54,624</strong></td>
</tr>
</tbody>
</table>
# Q4 2020 Financial Results

Reconciliation of Annual Net Income to Adj. EBITDA

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>$349,246</td>
<td>$95,894</td>
</tr>
<tr>
<td>Excluding:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and other non-operating expense, net</td>
<td>34,923</td>
<td>11,121</td>
</tr>
<tr>
<td>Provision (benefit) for income taxes</td>
<td>16,463</td>
<td>(15,248)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>58,189</td>
<td>48,031</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>65,114</td>
<td>44,395</td>
</tr>
<tr>
<td>Foreign exchange loss (gain)</td>
<td>6,522</td>
<td>(3,006)</td>
</tr>
<tr>
<td>Acquisition-related expenses</td>
<td>1,804</td>
<td>3,917</td>
</tr>
<tr>
<td>Non-ordinary course disputes</td>
<td>-</td>
<td>1,164</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>16,855</td>
<td>-</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td><strong>$549,116</strong></td>
<td><strong>$186,268</strong></td>
</tr>
</tbody>
</table>
Reconciliation of Operating Cash Flow to Free Cash Flow

Free cash flow is considered to be a non-GAAP financial measure. We believe that free cash flow, which measures our ability to generate cash from our business operations, is an important financial measure for use in evaluating the company’s financial performance. Free cash flow should be considered in addition to, rather than as a substitute for, consolidated net income as a measure of our performance and net cash provided by operating activities as a measure of our liquidity. We believe it is important to view free cash flow as a measure that provides supplemental information to our Consolidated Statements of Cash Flows.

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Year ended 12/31/20</th>
<th>Year ended 12/31/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>$678,956</td>
<td>$206,920</td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(1,445)</td>
<td>(7,528)</td>
</tr>
<tr>
<td>Development of internal-use software</td>
<td>(5,665)</td>
<td>(7,750)</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>$671,846</td>
<td>$191,642</td>
</tr>
</tbody>
</table>