

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): September 15, 2020

**Social Capital Hedosophia Holdings Corp. II**

(Exact name of registrant as specified in its charter)

**Cayman Islands**  
(State or other jurisdiction  
of incorporation)

**001-39253**  
(Commission  
File Number)

**98-1515020**  
(I.R.S. Employer  
Identification No.)

**317 University Ave, Suite 200**  
**Palo Alto, California**  
(Address of principal executive offices)

**94301**  
(Zip Code)

**(650) 521-9007**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Units, each consisting of one Class A ordinary share, \$0.0001 par value, and one-third of one Warrant to purchase one Class A ordinary share	IPOB.U	New York Stock Exchange
Class A ordinary shares, \$0.0001 par value per share	IPOB	New York Stock Exchange
Warrants to purchase Class A ordinary shares	IPOB.WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

### **Item 1.01 Entry into a Material Definitive Agreement.**

On September 15, 2020, Social Capital Hedosophia Holdings Corp. II, a Cayman Islands exempted company limited by shares ("SCH"), announced that it entered into an Agreement and Plan of Merger (the "Merger Agreement"), by and among Hestia Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of SCH ("Merger Sub"), and Opendoor Labs Inc., a Delaware corporation ("Opendoor").

Pursuant to the Merger Agreement, and subject to the approval of SCH's shareholders, among other things: (i) prior to the Closing, SCH shall domesticate as a Delaware corporation in accordance with Section 388 of the Delaware General Corporation Law, as amended, and the Cayman Islands Companies Law (2020 Revision) (the "Domestication"), (ii) at the Closing, upon the terms and subject to the conditions of the Merger Agreement, in accordance with the DGCL, Merger Sub will merge with and into Opendoor, the separate corporate existence of Merger Sub will cease and Opendoor will be the surviving corporation and a wholly owned subsidiary of SCH (the "Merger"), (iii) upon consummation of the Merger, all of the equity interests of Opendoor will be converted into the right to receive the number of shares of common stock, par value \$0.0001 per share, of SCH (after its Domestication as a corporation incorporated in the State of Delaware) ("SCH Common Stock") equal to the quotient obtained by dividing (x) \$5,000,000,000 by (y) \$10.00 and (iv) upon the consummation of the Merger, SCH shall immediately be renamed "Opendoor Technologies Inc." The Closing is subject to the satisfaction or waiver of certain closing conditions contained in the Merger Agreement.

On September 15, 2020, concurrently with the execution of the Merger Agreement, SCH also announced that it entered into subscription agreements (the "Subscription Agreements") with certain investors (collectively, the "PIPE Investors") pursuant to, and on the terms and subject to the conditions of which, the PIPE Investors have collectively subscribed for 60 million shares of SCH Common Stock for an aggregate purchase price equal to \$600 million (the "PIPE Investment"), a portion of which is expected to be funded by one or more affiliates of current Opendoor stockholders and of SCH Sponsor II LLC, SCH's sponsor (the "Sponsor"), respectively. The PIPE Investment will be consummated substantially concurrently with the closing of the transactions contemplated by the Merger Agreement, subject to the terms and conditions contemplated by the Subscription Agreements.

On September 15, 2020, SCH also announced entry into a Support Agreement (the "Sponsor Support Agreement"), by and among SCH, the Sponsor and Opendoor, pursuant to which the Sponsor and each director of SCH agreed to, among other things, vote in favor of the Merger Agreement and the transactions contemplated thereby, in each case, subject to the terms and conditions contemplated by the Sponsor Support Agreement. In addition, SCH has entered into a Support Agreement (the "Company Support Agreement") by and among SCH, Opendoor and certain stockholders of Opendoor (the "Key Stockholders"), pursuant to which the Key Stockholders have agreed to, among other things, vote in favor of the Merger Agreement and the transactions contemplated thereby, in each case, subject to the terms and conditions contemplated by the Company Support Agreement.

A copy of the Merger Agreement, the form of the Subscription Agreements, the Sponsor Support Agreement and the Company Support Agreement will be filed by amendment on Form 8-K/A to this Current Report within four business days of the date hereof as Exhibit 2.1, Exhibit 10.1, Exhibit 10.2 and Exhibit 10.3, respectively, and the foregoing description of each of the Merger Agreement, Subscription Agreements, Sponsor Support Agreement and Company Support Agreement is qualified in its entirety by reference thereto.

### **Item 3.02 Unregistered Sales of Equity Securities**

The disclosure set forth above in Item 1.01 of this Current Report on Form 8-K with respect to the PIPE Investment is incorporated by reference in this Item 3.02. The shares of SCH Common Stock to be issued in connection with the PIPE Investment will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and will be issued in reliance on the exemption from registration requirements thereof provided by Section 4(a)(2) of the Securities Act.

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## **Item 7.01 Regulation FD Disclosure.**

On September 15, 2020, SCH and Opendoor issued a joint press release (the "Press Release") announcing the execution of the Merger Agreement. The Press Release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

Attached as Exhibit 99.2 and Exhibit 99.3 and incorporated herein by reference are the investor presentations dated September 15, 2020, for use by SCH in meetings with certain of its shareholders as well as other persons with respect to SCH's proposed transaction with Opendoor, as described in this Current Report on Form 8-K.

The information in this Item 7.01, including Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3 and is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to liabilities under that section, and shall not be deemed to be incorporated by reference into the filings of SCH under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filings. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information of the information contained in this Item 7.01, including Exhibit 99.1, Exhibit 99.2 and Exhibit 99.3.

## **Additional Information and Where to Find It**

This Current Report on Form 8-K relates to a proposed transaction between Opendoor and SCH. This Current Report on Form 8-K does not constitute an offer to sell or exchange, or the solicitation of an offer to buy or exchange, any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. SCH intends to file a registration statement on Form S-4 with the U.S. Securities and Exchange Commission (the "SEC"), which will include a document that serves as a prospectus and proxy statement of SCH, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all SCH shareholders. SCH also will file other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of SCH are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction.

Investors and security holders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by SCH through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

The documents filed by SCH with the SEC also may be obtained free of charge at SCH's website at <http://www.socialcapitalhedosophiaholdings.com/docsb.html> or upon written request to 317 University Ave, Suite 200, Palo Alto, California 94301.

## **Participants in Solicitation**

SCH and its directors and executive officers may be deemed to be participants in the solicitation of proxies from SCH's shareholders in connection with the proposed transaction. A list of the names of such directors and executive officers and information regarding their interests in the business combination will be contained in the proxy statement/prospectus when available. You may obtain free copies of these documents as described in the preceding paragraph.

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## Forward-Looking Statements Legend

This Current Report on Form 8-K contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transaction between Opendoor and SCH. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including but not limited to: (i) the risk that the transaction may not be completed in a timely manner or at all, which may adversely affect the price of SCH's securities, (ii) the risk that the transaction may not be completed by SCH's business combination deadline and the potential failure to obtain an extension of the business combination deadline if sought by SCH, (iii) the failure to satisfy the conditions to the consummation of the transaction, including the adoption of the Merger Agreement by the shareholders of SCH, the satisfaction of the minimum trust account amount following redemptions by SCH's public shareholders and the receipt of certain governmental and regulatory approvals, (iv) the lack of a third party valuation in determining whether or not to pursue the proposed transaction, (v) the inability to complete the PIPE Investment, (vi) the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger Agreement, (vii) the effect of the announcement or pendency of the transaction on Opendoor's business relationships, operating results, and business generally, (viii) risks that the proposed transaction disrupts current plans and operations of Opendoor, (ix) the outcome of any legal proceedings that may be instituted against Opendoor or against SCH related to the Merger Agreement or the proposed transaction, (x) the ability to maintain the listing of SCH's securities on a national securities exchange, (xi) changes in the competitive and regulated industries in which Opendoor operates, variations in operating performance across competitors, changes in laws and regulations affecting Opendoor's business and changes in the combined capital structure, (xii) the ability to implement business plans, forecasts, and other expectations after the completion of the proposed transaction, and identify and realize additional opportunities, and (xiii) the risk of downturns and a changing regulatory landscape in the highly competitive residential real estate industry. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of SCH's registration on Form S-1 (File No. 333-237864), the registration statement on Form S-4 discussed above and other documents filed by SCH from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Opendoor and SCH assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Neither Opendoor nor SCH gives any assurance that either Opendoor or SCH, or the combined company, will achieve its expectations.

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**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Joint Press Release, dated as of September 15, 2020.</a>
<a href="#">99.2</a>	<a href="#">Investor Presentation, dated as of September 15, 2020.</a>
<a href="#">99.3</a>	<a href="#">Introductory Presentation, dated as of September 15, 2020.</a>

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 15, 2020

Social Capital Hedosophia Holdings Corp. II

By: /s/ Chamath Palihapitiya

Name: Chamath Palihapitiya

Title: Chief Executive Officer

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**Opendoor, a Leading Digital Platform for Residential Real Estate, Announces Plans to Become Publicly-traded via Merger with Social Capital Hedosophia**

- Opendoor has reinvented how people buy and sell a home with its simple, digital and on-demand experience
- The transaction will enable Opendoor to continue to invest in growth, market expansion and new products that will accelerate Opendoor’s plan to become a digital one-stop shop for homeowners
- The transaction values Opendoor at an enterprise value of \$4.8 billion, and is expected to provide up to \$1.0 billion in cash proceeds, including a fully committed PIPE of \$600 million and up to \$414 million of cash held in the trust account of Social Capital Hedosophia Holdings Corp. II (“SCH”)
- Insiders are making a significant commitment of \$200 million of the \$600 million PIPE. This \$200 million commitment includes \$100 million from Chamath Palihapitiya, Founder and CEO of SCH, \$58 million from Hedosophia, with the remainder invested by existing Opendoor shareholders, Access Industries and Lennar, along with Opendoor management
- Top-tier institutional investors anchoring the remaining \$400 million of PIPE investments include funds and accounts managed by BlackRock and Healthcare of Ontario Pension Plan (HOOPP)
- 100 percent of cash proceeds will be retained by Opendoor, with existing shareholders of Opendoor rolling 100 percent of their equity into the combined company

**SAN FRANCISCO and PALO ALTO, CA – September 15, 2020** – Opendoor Labs Inc. (“Opendoor” or the “Company”), the pioneer and market leader in iBuying, has entered into a definitive business combination agreement with Social Capital Hedosophia Holdings Corp. II (NYSE: IPOB) (“SCH”), a publicly traded special purpose acquisition company, to bring public a leading digital platform for residential real estate.

**Company Overview**

Founded in 2014, Opendoor has reinvented the real estate transaction, offering an on-demand, digital experience to buy and sell a home. Opendoor enables homeowners to sell and buy online in a few taps of a button, providing greater simplicity, certainty and convenience than ever before. Since its founding, the Company has served over 80,000 customers and sold over \$10 billion of homes. In 2019, the company sold more than 18,000 homes, generating \$4.7 billion in revenue.

Residential real estate remains the largest, undisrupted market in the U.S. with \$1.6 trillion in annual home sales and less than one percent online penetration. For consumers, the current process of buying or selling a home is complex, uncertain, time consuming and offline. Opendoor, as the innovator and market leader in iBuying, streamlines the transaction and brings the end-to-end experience online. Homeowners can go online to request and accept an offer, select their preferred closing date, sign and close. This collapses the entire house selling process into a few simple steps and removes up to 100 days of hassle and uncertainty. Home buyers can download the Opendoor app, tour and visit homes instantly with self-tours, get financing at competitive rates, and make an offer, all with just a mobile device. Collectively, Opendoor has built a simple, elegant, on-demand buying and selling experience.

The shift from offline to online consumption continues to accelerate, driving increased customer awareness, adoption and growth. Consumers are prioritizing safety, demanding digital experiences, moving out of dense areas and searching for more space to work from home. These trends create significant tailwinds for Opendoor, whose mission is to empower people with the freedom to move.

Opendoor currently operates in 21 markets across the U.S., including cities such as Phoenix, Dallas-Fort Worth, Raleigh-Durham, Atlanta and Orlando. Given the demand for a digital way to buy and sell a home and the much needed digitization of services around the home, Opendoor plans to grow market share in existing markets, expand to new markets and launch new products that make real estate transactions even more seamless.

The Company's management team, led by Founder and CEO Eric Wu, will continue to lead Opendoor. SCH's Director, Adam Bain (former Chief Operating Officer of Twitter), will join the merged company's Board of Directors upon completion of the transaction.

## **Management Comments**

### **Eric Wu, Founder and CEO of Opendoor, said:**

*"We founded Opendoor to make it simple and instant to buy and sell a home, to delight customers and make their lives less stressful, and to build an iconic, once in a generation company. This is one of many milestones towards our mission and will help us accelerate the path towards building the digital one-stop-shop to move. I am grateful for the continued support from my teammates and shareholders and most thankful for the tens of thousands – and I hope soon to be hundreds of thousands – of families, couples and individuals that trust Opendoor with the largest financial decision of their life. We are energized by the opportunity to make our online, streamlined experience available to millions of homeowners every day."*

### **Chamath Palihapitiya, Founder and CEO of Social Capital Hedosophia II, said:**

*"We created the IPO 2.0 platform to identify and partner with iconic technology companies with proven management teams and assist in their transition to the public markets. Opendoor perfectly embodies this vision. The Company is transforming the \$1.6 trillion residential real estate market by combining a superior user experience, streamlined operations and machine learning to create a seamless digital experience. We are excited to work with Eric and the supremely talented Opendoor team to unlock home ownership for millions of Americans."*

## **Transaction Overview**

On September 15, 2020, SCH (NYSE: IPOB.U) entered into a definitive agreement to combine with Opendoor through a combination of stock and cash financing. The business combination values Opendoor at an enterprise value of \$4.8 billion, representing 1.0x 2019 revenue.

The transaction is expected to deliver up to \$1.0 billion of gross proceeds, including the contribution of up to \$414 million of cash held in SCH's trust account from its initial public offering in April 2020. The transaction is further supported by a \$600 million PIPE at \$10.00 per share, with \$200 million from entities affiliated with SCH, including \$100 million from Chamath Palihapitiya, Founder and CEO of SCH, \$58 million from Hedosophia, and the remainder from existing Opendoor shareholders, Access Industries and Lennar, along with Opendoor management. New investors to Opendoor via additional PIPE contributions include funds and accounts managed by BlackRock and Healthcare of Ontario Pension Plan (HOOPP). Existing Opendoor shareholders have agreed to roll 100 percent of their equity into the new company. Upon completion of the transaction, Opendoor expects to have up to \$1.5 billion in cash on its balance sheet to fund operations and support new and existing growth initiatives. All references to cash on the balance sheet, available cash from the trust account and retained transaction proceeds are subject to any redemptions by the public shareholders of SCH and payment of transaction expenses.

The transaction, which has been unanimously approved by the Boards of Directors of Opendoor and SCH, is subject to approval by SCH's shareholders and other customary closing conditions.

Additional information about the proposed transaction, including a copy of the merger agreement and investor presentation, will be provided in a Current Report on Form 8-K to be filed by SCH today with the Securities and Exchange Commission ("SEC") and available at [www.sec.gov](http://www.sec.gov).



## **Conference Call Information**

Opendoor and SCH will host a joint investor conference call to discuss the proposed transaction and review an investor presentation today, Tuesday, September 15, 2020 at 4:00 p.m. ET.

To listen to the prepared remarks via audio webcast, go to Opendoor's investor website, at <https://opendoor.com/w/investors>.

## **Investor Presentation**

A link to the Company's investor presentation can be found on Opendoor's investor website, at <https://opendoor.com/w/investors>.

## **Advisors**

Connaught acted as financial advisor, Credit Suisse acted as capital markets advisor and placement agent and Skadden, Arps, Slate, Meagher & Flom LLP acted as legal advisor to SCH. Citi acted as financial advisor and Latham & Watkins LLP acted as legal advisor to Opendoor.

## **About Social Capital Hedosophia II**

Social Capital Hedosophia II is a partnership between the investment firms of Social Capital and Hedosophia. Social Capital Hedosophia II unites technologists, entrepreneurs and technology-oriented investors around a shared vision of identifying and investing in innovative and agile technology companies. To learn more about Social Capital Hedosophia, visit [www.socialcapitalhedosophiaholdings.com](http://www.socialcapitalhedosophiaholdings.com).

## **About Opendoor**

Opendoor's mission is to empower everyone with the freedom to move. Since 2014, Opendoor has provided people across the U.S. with a radically simple way to buy, sell or trade-in a home. Opendoor currently operates in 21 markets in the U.S. and is headquartered in San Francisco.

For more information, please visit [www.opendoor.com](http://www.opendoor.com).

## **Additional Information and Where to Find It**

This press release relates to a proposed transaction between Opendoor and SCH. This press release does not constitute an offer to sell or exchange, or the solicitation of an offer to buy or exchange, any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, sale or exchange would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. SCH intends to file a registration statement on Form S-4 with the SEC, which will include a document that serves as a prospectus and proxy statement of SCH, referred to as a proxy statement/prospectus. A proxy statement/prospectus will be sent to all SCH shareholders. SCH also will file other documents regarding the proposed transaction with the SEC. Before making any voting decision, investors and security holders of SCH are urged to read the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the proposed transaction as they become available because they will contain important information about the proposed transaction.

Investors and security holders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by SCH through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

The documents filed by SCH with the SEC also may be obtained free of charge at SCH's website at <http://www.socialcapitalhedosophiaholdings.com/docsb.html> or upon written request to 317 University Ave, Suite 200, Palo Alto, California 94301.

### **Participants in Solicitation**

SCH and its directors and executive officers may be deemed to be participants in the solicitation of proxies from SCH's shareholders in connection with the proposed transaction. A list of the names of such directors and executive officers and information regarding their interests in the business combination will be contained in the proxy statement/prospectus when available. You may obtain free copies of these documents as described in the preceding paragraph.

### **Forward-Looking Statements**

This press release contains certain forward-looking statements within the meaning of the federal securities laws with respect to the proposed transaction between Opendoor and SCH, including statements regarding the anticipated benefits of the transaction, the anticipated timing of the transaction, future financial condition and performance of Opendoor and expected financial impacts of the transaction (including future revenue, pro forma enterprise value and cash balance), the satisfaction of closing conditions to the transaction, the PIPE transaction, the level of redemptions of SCH's public shareholders and the products and markets and expected future performance and market opportunities of Opendoor. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: (i) the risk that the transaction may not be completed in a timely manner or at all, which may adversely affect the price of SCH's securities, (ii) the risk that the transaction may not be completed by SCH's business combination deadline and the potential failure to obtain an extension of the business combination deadline if sought by SCH, (iii) the failure to satisfy the conditions to the consummation of the transaction, including the approval of the merger agreement by the shareholders of SCH, the satisfaction of the minimum trust account amount following any redemptions by SCH's public shareholders and the receipt of certain governmental and regulatory approvals, (iv) the lack of a third party valuation in determining whether or not to pursue the proposed transaction, (v) the inability to complete the PIPE transaction, (vi) the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement, (vii) the effect of the announcement or pendency of the transaction on Opendoor's business relationships, operating results, and business generally, (viii) risks that the proposed transaction disrupts current plans and operations of Opendoor, (ix) the outcome of any legal proceedings that may be instituted against Opendoor or against SCH related to the merger agreement or the proposed transaction, (x) the ability to maintain the listing of SCH's securities on a national securities exchange, (xi) changes in the competitive and regulated industries in which Opendoor operates, variations in operating performance across competitors, changes in laws and regulations affecting Opendoor's business and changes in the combined capital structure, (xii) the ability to implement business plans, forecasts, and other expectations after the completion of the proposed transaction, and identify and realize additional opportunities, (xiii) the risk of downturns and a changing regulatory landscape in the highly competitive residential real estate industry, and (ix) costs related to the transaction and the failure to realize anticipated benefits of the transaction or to realize estimated pro forma results and underlying assumptions, including with respect to estimated shareholder redemptions. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of the registration statement on Form S-4 discussed above and other documents filed by SCH from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Opendoor and SCH assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Neither Opendoor nor SCH gives any assurance that either Opendoor or SCH, or the combined company, will achieve its expectations.

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# Opendoor

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# Disclaimer

## Confidentiality and Disclosures

This presentation has been prepared for use by Social Capital Hedosophia Holdings Corp. II ("Social Capital") and Opendoor Labs Inc. ("Opendoor") in connection with their proposed business combination. This presentation is for information purposes only and is being provided to you solely in your capacity as a potential investor in considering an investment in Social Capital and may not be reproduced or redistributed, in whole or in part, without the prior written consent of Social Capital and Opendoor. Neither Social Capital nor Opendoor makes any representation or warranty as to the accuracy or completeness of the information contained in this presentation. This presentation is not intended to be all-inclusive or to contain all the information that a person may desire in considering an investment in Social Capital and is not intended to form the basis of any investment decision in Social Capital. You should consult your own legal, regulatory, tax, business, financial and accounting advisors to the extent you deem necessary, and must make your own investment decision and perform your own independent investigation and analysis of an investment in Social Capital and the transactions contemplated in this presentation.

This presentation shall neither constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

## Forward-Looking Statements

Certain statements in this presentation may constitute "forward-looking statements" within the meaning of the federal securities laws. Forward-looking statements include, but are not limited to, statements regarding Social Capital's or Opendoor's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. You should carefully consider the risks and uncertainties described in the "Risk Factors" section of Social Capital's registration statement on Form S-1, the proxy statement/prospectus on Form S-4 relating to the business combination, which is expected to be filed by Social Capital with the Securities and Exchange Commission (the "SEC") and other documents filed by Social Capital from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Social Capital and Opendoor assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Neither Social Capital nor Opendoor gives any assurance that either Social Capital or Opendoor will achieve its expectations.

## Use of Projections

The financial projections, estimates and targets in this presentation are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond Social Capital's and Opendoor's control. While all financial projections, estimates and targets are necessarily speculative, Social Capital and Opendoor believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection, estimate or target extends from the date of preparation. The assumptions and estimates underlying the projected, expected or target results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the financial projections, estimates and targets. The inclusion of financial projections, estimates and targets in this presentation should not be regarded as an indication that Social Capital and Opendoor, or their representatives, considered or consider the financial projections, estimates and targets to be a reliable prediction of future events.

## Use of Data

The data contained herein is derived from various internal and external sources. No representation is made as to the reasonableness of the assumptions made within or the accuracy or completeness of any projections or modeling or any other information contained herein. Any data on past performance or modeling contained herein is not an indication as to future performance. Social Capital and Opendoor assume no obligation to update the information in this presentation. Further, these financials were prepared by the Company in accordance with private company AICPA standards. The Company is currently in the process of uplifting its financials to comply with public company and SEC requirements.

## Use of Non-GAAP Financial Metrics

This presentation includes certain non-GAAP financial measures (including on a forward-looking basis) such as Adjusted Gross Profit, Contribution Profit, Adjusted EBITDA and Adjusted Net Income. Opendoor defines Adjusted Gross Margin as GAAP Gross Profit less Net Impairment, Contribution Profit defined as GAAP Gross Profit less selling and holding costs associated with the sale of a home, Adjusted EBITDA defined as net income (loss), adjusted for interest expense, interest income, income taxes, depreciation and amortization and Adjusted Net Income defined as GAAP Net Income less Stock Based Compensation, Warrant Expense, Net Impairment, Intangible Amortization Expense, Restructuring costs and Other. These non-GAAP measures are an addition, and not a substitute for or superior to measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with GAAP. Reconciliations of non-GAAP measures to their most directly comparable GAAP counterparts are included in the Appendix to this presentation.

Opendoor believes that these non-GAAP measures of financial results (including on a forward-looking basis) provide useful supplemental information to investors about Opendoor. Opendoor's management uses forward looking non-GAAP measures to evaluate Opendoor's projected financial and operating performance. However, there are a number of limitations related to the use of these non-GAAP measures and their nearest GAAP equivalents. For example other companies may calculate non-GAAP measures differently, or may use other measures to calculate their financial performance, and therefore Opendoor's non-GAAP measures may not be directly comparable to similarly titled measures of other companies.

## Participants in Solicitation

Social Capital and Opendoor and their respective directors and executive officers, under SEC rules, may be deemed to be participants in the solicitation of proxies of Social Capital's shareholders in connection with the proposed business combination. Investors and security holders may obtain more detailed information regarding the names and interests in the proposed business combination of Social Capital's directors and officers in Social Capital's filings with the Securities and Exchange Commission (the "SEC"), including Social Capital's registration statement on Form S-1, which was originally filed with the SEC on February 28, 2020. To the extent that holdings of Social Capital's securities have changed from the amounts reported in Social Capital's registration statement on Form S-1, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Information regarding the persons who may, under SEC rules, be deemed participants in the solicitation of proxies to Social Capital's shareholders in connection with the proposed business combination is set forth in the proxy statement/prospectus on Form S-4 for the proposed business combination, which is expected to be filed by Social Capital with the SEC.

**Investors and security holders of Social Capital and Opendoor are urged to read the proxy statement/prospectus and other relevant documents that will be filed with the SEC carefully and in their entirety when they become available because they will contain important information about the proposed business combination.** Investors and security holders will be able to obtain free copies of the proxy statement and other documents containing important information about Social Capital and Opendoor through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of the documents filed with the SEC by Social Capital can be obtained free of charge by directing a written request to Social Capital Hedosophia Holdings Corp. II, 317 University Ave, Suite 200, Palo Alto, California 94301.



"Incredible upgrade opportunity"

My journey started at 2004 Mitchell Street

# Seasoned, deep and experienced team



**Eric Wu**  
 Founder, CEO  
 Head of Product, Trulia  
 trulia Combinator



**Carrie Wheeler**  
 CFO  
 Partner, TPG



**Julie Todaro**  
 President, Homes & Services  
 VP Operations, Amazon  
 amazon



**Ian Wong**  
 Founder, CTO  
 Head of Data Science, Square

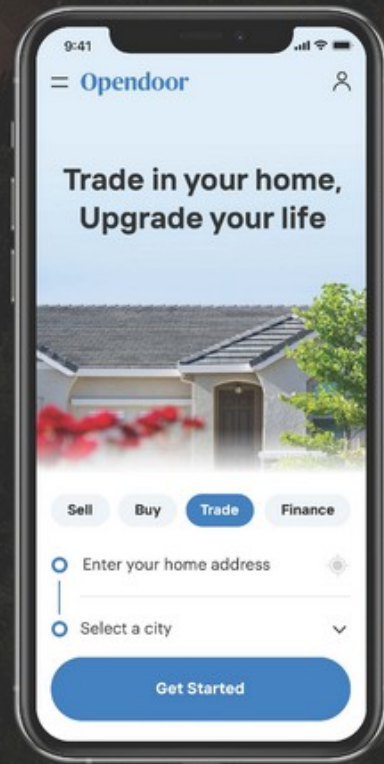


**Tom Willerer**  
 Chief Product Officer  
 VP Product, Netflix  
 coursera

Product	Engineering	Design & Marketing	Operations	Finance
<b>Brian Tolkin</b> Head of Seller Product Product, Uber 	<b>Mark Kinsella</b> Head of Engineering Director, Lyft 	<b>Paul Smith</b> Head of Design Director, Uber 	<b>Megan Meyer</b> Head of Operations Ops, Bain Capital 	<b>Rajiv Krishnarao</b> Head of Finance Director, Uber 
<b>David Sinsky</b> Head of New Products Product, FourSquare 	<b>Nelson Ray, PhD</b> Head of Data Science Data Scientist, Google 	<b>Reema Batta</b> Head of Marketing Marketing, Expedia 	<b>Brad Bonney</b> Market Operations Director T&S, Airbnb 	<b>Dod Fraser</b> Head of Capital Markets/Risk Principal, TPG 
<b>Judd Schoenholtz</b> Head of Buyer Product CEO, OpenListings 	<b>Mike Chen</b> Head of Pricing Engineering Sr Engineer, Twitter 	<b>Annie Tang</b> Design Manager Design, Google 	<b>Nadia Aziz</b> Head of Mortgages VP, Capital One 	<b>Christy Schwartz</b> Corporate Controller Controller, Yodlee 

# Unlock homeownership for millions of Americans

Buy, sell & move  
at the tap of a button





# Charlisa's next chapter

An Opendoor story

[Read and watch her story](#)

[www.opendoor.com/w/stories/charlisa-boyd](http://www.opendoor.com/w/stories/charlisa-boyd)



# We are the innovator and market leader

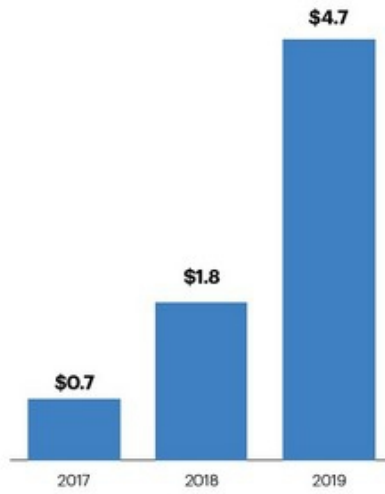
## Key metrics

**21**  
Markets

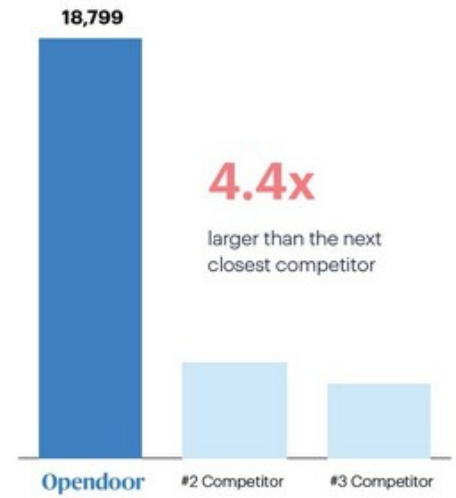
**80K**  
Homeowners served

**\$10B**  
Homes sold

## Revenue (\$B)



## Homes sold (2019)



Note: Markets, Homeowners served and Homes sold metrics since Company inception through August 31, 2020; Homeowners served defined as number of home transactions  
Competitors shown inclusive of iBuyer category, not all market competitors

# Investment highlights

## Massive, fragmented market

U.S. real estate industry is ripe for disruption

## Superior consumer experience

Digital experience transforming a highly inefficient process

## Market leader with low cost transaction platform

Highly efficient platform to buy and sell real estate

## Rapid growth and scale

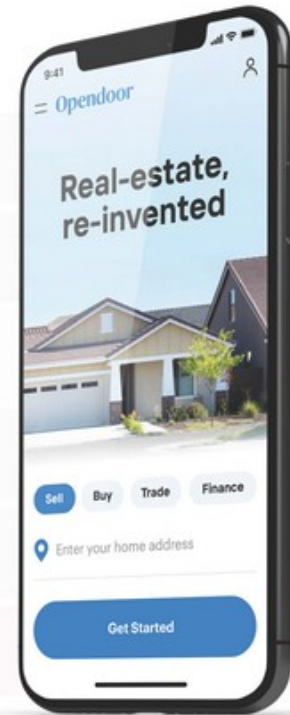
Demonstrated ability to grow rapidly and efficiently

## Strong unit economics

Proven, replicable margins across multiple markets

## Significant upside ahead

Revenue growth and margin improvement expected via market penetration and adjacent services



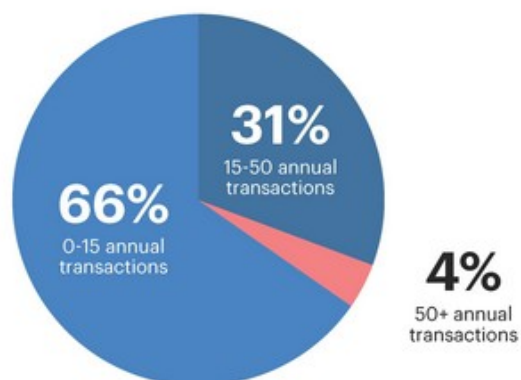
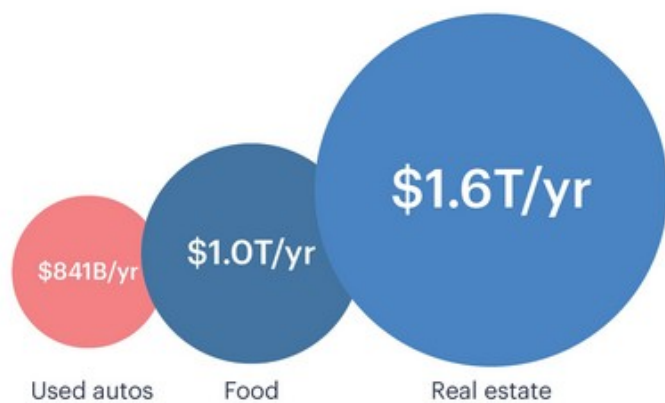
# The largest, undisrupted market in the U.S.

## Massive market

68% of Americans are homeowners  
5 million homes sold annually

## Fragmented incumbents

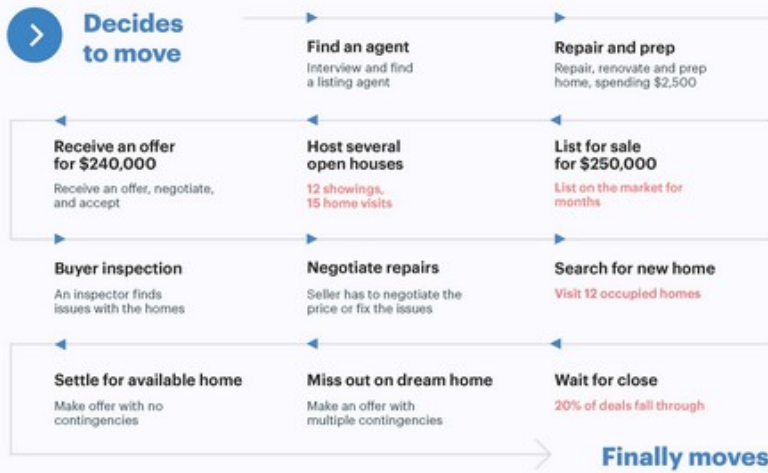
2 million realtors  
28% of realtors have another occupation



Note: Data sourced from public company filings, U.S. Bureau of Labor Statistics, U.S. Census Bureau and National Association of Realtors

# Process is **complex, uncertain, time-consuming and offline**

Today, **89%** of buyers and sellers use an agent, and this is their experience



Costing as much as **12%+** of the transaction

Item	Cost
Broker commission	\$13,750
Seller concessions	\$3,750
Closing costs	\$3,750
Home renovation/repairs	\$2,500
Double mortgage	\$2,500
Moving costs	\$1,259
Staging	\$1,185
Home warranty	\$936
<b>Total</b>	<b>\$29,630</b>

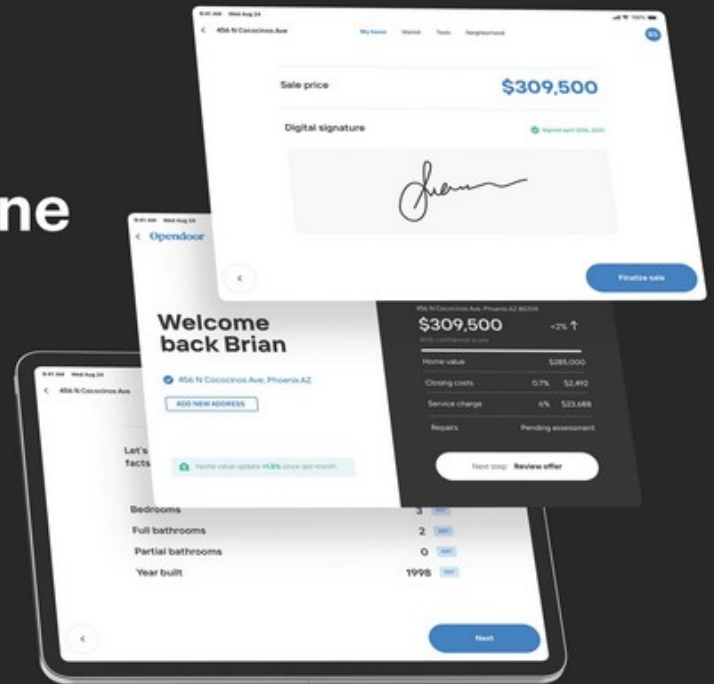
Note: Agent use, 89%, per National Association of Realtors report  
List days, home visits and fall-through metrics based on analysis of Multiple Listing Service (MLS) and Company data  
Per transaction \$ values indicative based on \$250K home value

# Receive an offer and sell on your timeline

Online cash offer

Flexible close date

Digital closing

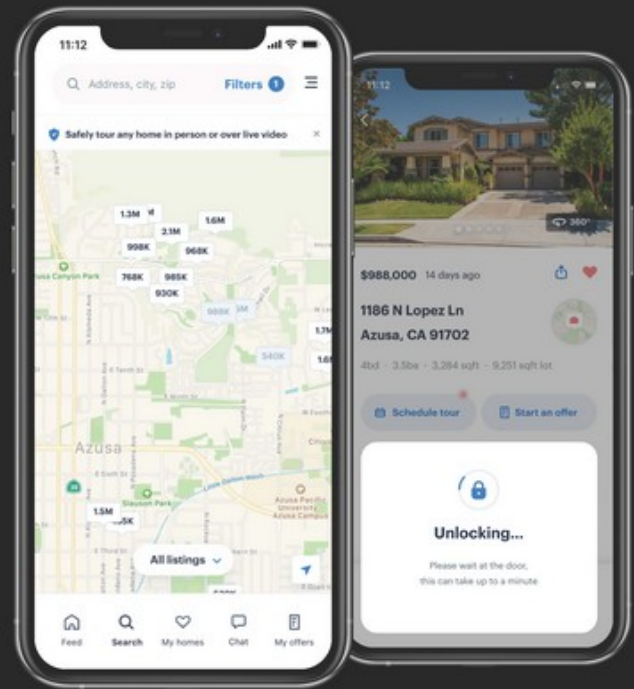


# New experience to search, visit and buy thousands of homes

Self-tour homes

Financing in-app

Digital offer process



# Offering greater simplicity, certainty, speed and safety

## Traditional sale

### Complex

Average of **6 counter parties** to manage

### Uncertain

**-20% of transactions fall through** inflexible timelines to closing

### Slow

Average of **87 days to close** on the market

### Human intensive

Averaging **12 visitors per listing** with **months of open houses**

The screenshot shows the Opendoor mobile app interface. At the top, it displays the address '123 Main Street' and the Opendoor logo. Below this, a section titled 'YOUR OFFER' contains a comparison table between 'Traditional Sale' and 'Opendoor'. The table lists various metrics such as Price, Fees, Est. Closing costs, Hidden costs, Net proceeds, Days on market, Closing date, and Fall-throughs. The Opendoor column consistently shows more favorable outcomes, such as a fixed price, lower fees, no hidden costs, and a significantly shorter time to close (0 days vs 62 days).

	Traditional Sale	Opendoor
Price	\$303,000-\$342,000	\$317,300
Fees	5.5%	7.0%
Est. Closing costs	1%	1%
Hidden costs	Up to 4%	0%
Net proceeds	\$271,185-\$306,090	\$291,916
Days on market	✗ 62 days	✓ 0
Closing date	✗ Depends on Buyer	✓ Up to you
Fall-throughs	✗ 18%	✓ 0%

## Opendoor

### Simple

Integrated digital experience

### Certain

Guaranteed close on your timeline  
No unforeseen costs

### Fast

Flexible closing in as fast as 3 days

### Safe

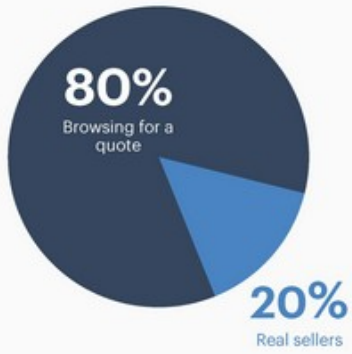
Completely contactless sale

Note: Fall-through, days-on-market and visitors / listing based on analysis of MLS and Company data. Offer comparison reflects a comparison of Company's listing and sell direct products (figures based on illustrative home)



# Home sellers are choosing Opendoor

## High intent customers



## High conversion

**34%**  
2019 real seller conversion

**90%**  
Sell direct to us without agents

## Real seller conversion vs. fees

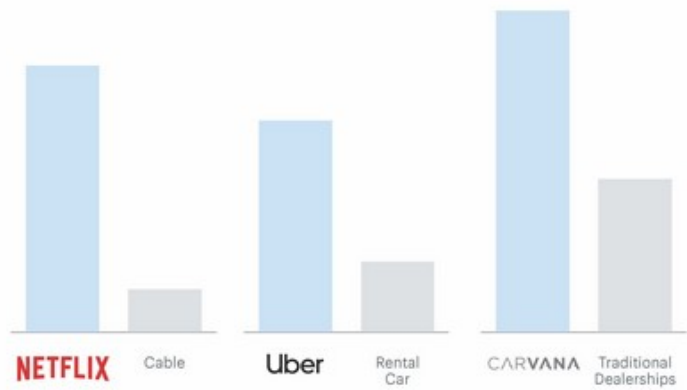


Note: Based on Company data for 2019. Real seller defined as unique lead who either accepts Opendoor offer or lists home on MLS within 60 days of receiving an offer

# And are delighted by our experience



### Category Leaders



Note: NPS metrics based on Company data, public filings and 3rd-party research

# We've rebuilt the entire real estate service stack



## Pricing

Real-time models to predict the current and future value of a home

## Home Ops

Inspections, data collection, repairs and renovations

## Fulfillment

Automated closing, title and escrow processes

## Capital Markets

Efficient capital markets systems to bridge and fund assets

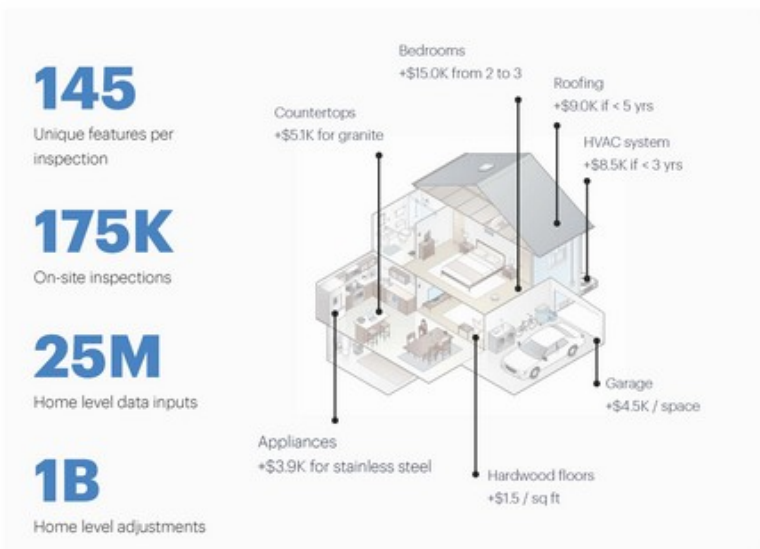
## Customer Experience

Centralized sales and support teams to manage the customer experience end-to-end

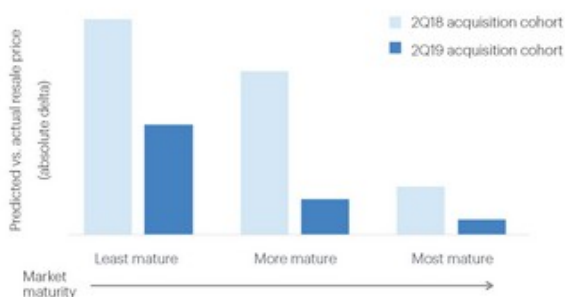
Foundation of software and data science

# Pricing advantage: data, accuracy and automation

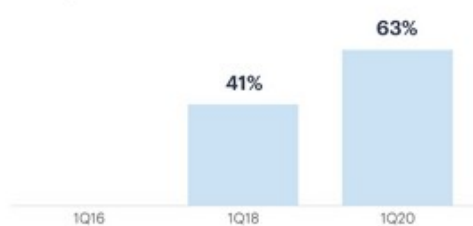
## Feature level home data



## Meaningful improvements in accuracy



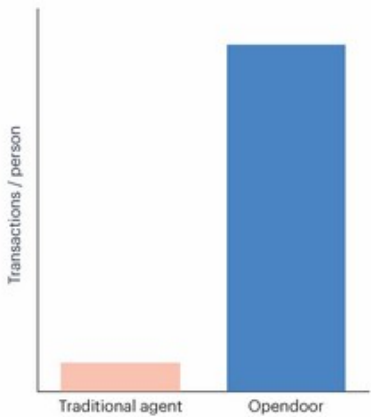
## With step-function increases in automation



Note: On-site inspections and home-level adjustment metrics reflect to-date company data as of August 2020; feature price adjustments indicative. Accuracy data based on expected resale price at time of underwriting vs. realized sale price. Automation rate based on percentage of offers sent without human intervention.

# Cost advantage: applying technology to reduce costs

## Centralization & automation



We are **12x more efficient** than a traditional agent

## Economies of scale

**50%**  
Reduction of spend/home over last 2 years

**40%+**  
Bulk pricing discounts on home materials

**10K+**  
Subcontractors on our platform



### Opendoor Scout

App to manage all home ops workflows

Note: Opendoor productivity based on 2019 total closes and average operator headcount; Traditional agent based on National Association of Realtors report. Economies of scale metrics based on Company data.

# Growth

# Our first 6 markets reached **\$2.7B** run-rate revenue in 1Q20

**6**

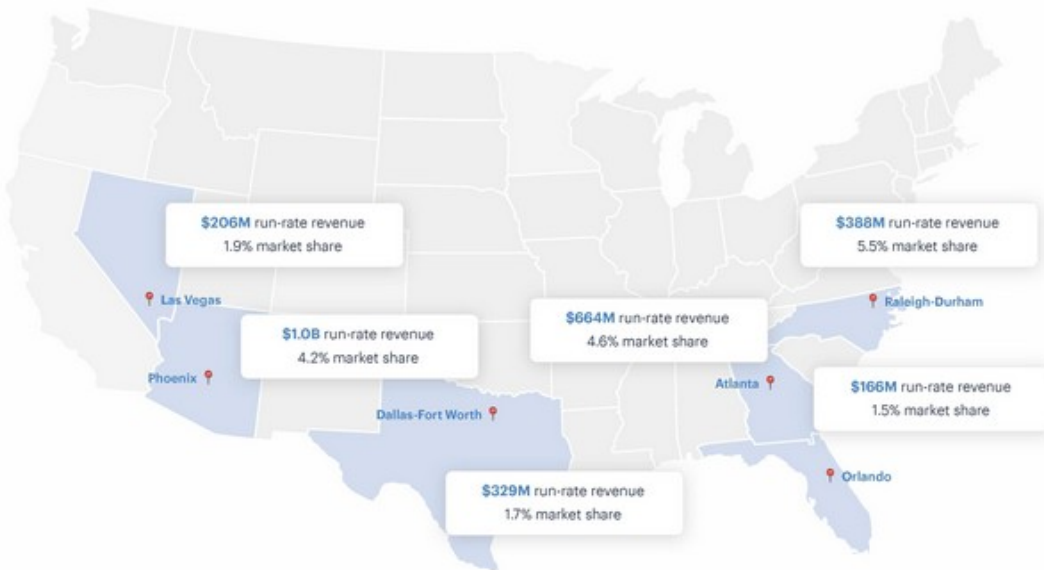
Markets

**3.2%**

Market share

**\$2.7B**

1Q20 Run-rate revenue



Note: Market share based on Company resales and MLS transaction data for respective markets as of 1Q20. 1Q20 run rates do not reflect the full impact of COVID-19; see Summary Financials for full-year 2020 projections

# Today, we are in 21 markets and just scratching the surface

**21**

Markets

**2.0%**

Market share

**\$5.0B**

1Q20 Run-rate revenue



Note: Market share based on Company resales and MLS transaction data for respective markets as of 1Q20. 1Q20 run rates do not reflect the full impact of COVID-19; see Summary Financials for full-year 2020 projections



# Track record of new market launches

## Infrastructure in place to launch efficiently

### Centralized customer operations

Centralized teams to service sellers and buyers end-to-end

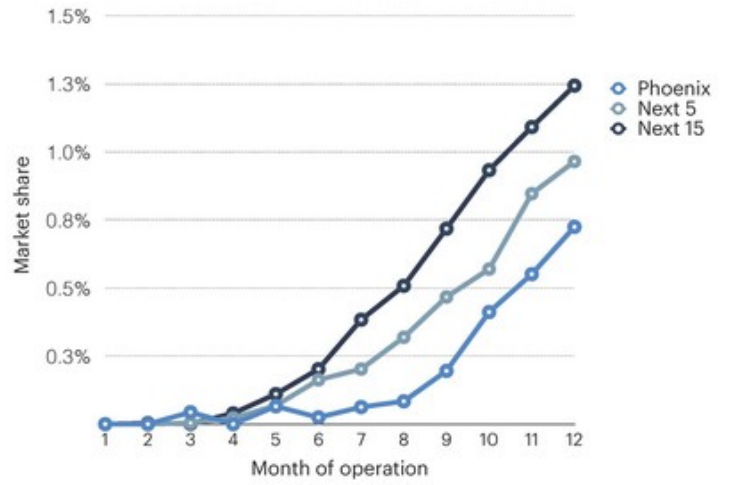
### Scalable pricing systems

Mature market data improves pricing in new markets

### Small, efficient in-market launch teams

3 in-market teammates to launch a new market

## Market share by market maturity



Note: Market share based on Company Resale Closes and MLS transaction data

# Our current playbook takes us to \$50B in revenue

**4%**

Market share

**100**

Markets

**\$50B**

Run-rate revenue



# With a U.S. market potential of **\$1.3T**

## 5M

Annual homes sold

## 87%

Homes in buy box of \$100K to \$750K

## \$1.3T

Total annual GMV



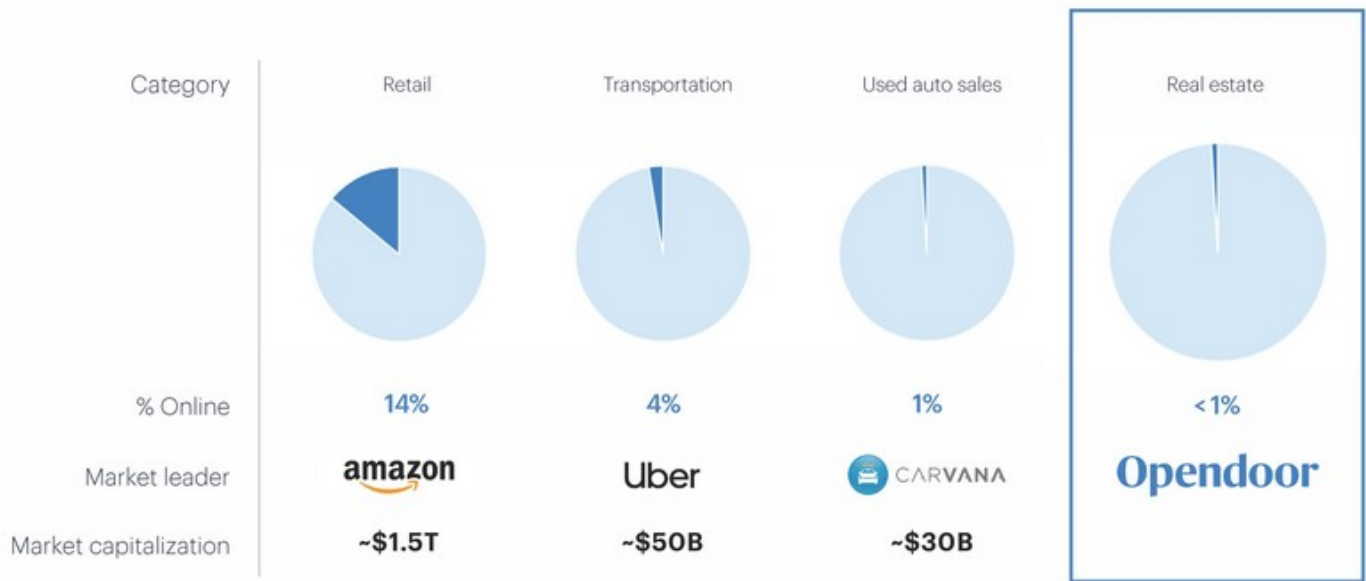
Note: Annual homes sold and sales distribution per National Association of Realtors (NAR)  
Gross Merchandise Value = annual homes sold x \$310K average sales price x 87%. Individual metrics per NAR



And this is  
**just the beginning**

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# Early stages of the digital transformation in real estate



Note: Online penetration metrics are based on public filings and third party research. Market capitalization values are approximated as of August 31, 2020.

## COVID-19 has accelerated shifts in consumer behavior

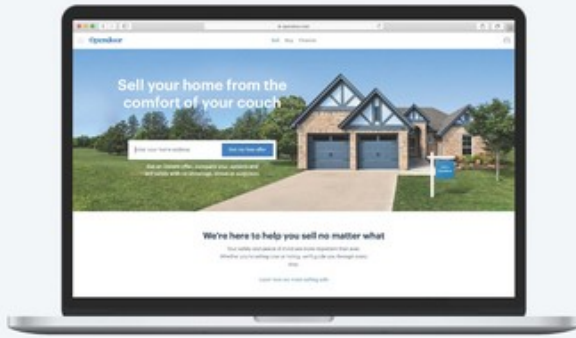
<p>Customers are prioritizing safety</p>	<p>Customers are demanding digital first experiences</p>	<p>Opendoor provides a digital, contact-less way to buy and sell a home</p> <p>Opendoor</p>
<p>De-urbanization is occurring as buyers avoid dense areas</p>	<p>Demand for housing in our markets is strengthening</p>	

# Consumers demand digital experiences for the services that revolve around the home



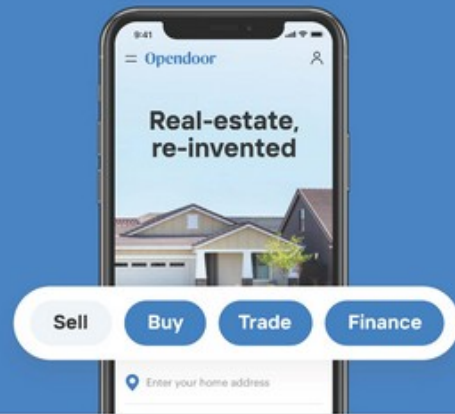
# As the market leader, we are just getting started

Today  
**We've transformed how  
people sell a home**



Sold in a few taps

Tomorrow  
**We will transform how  
people move**



Digital one-stop shop to move

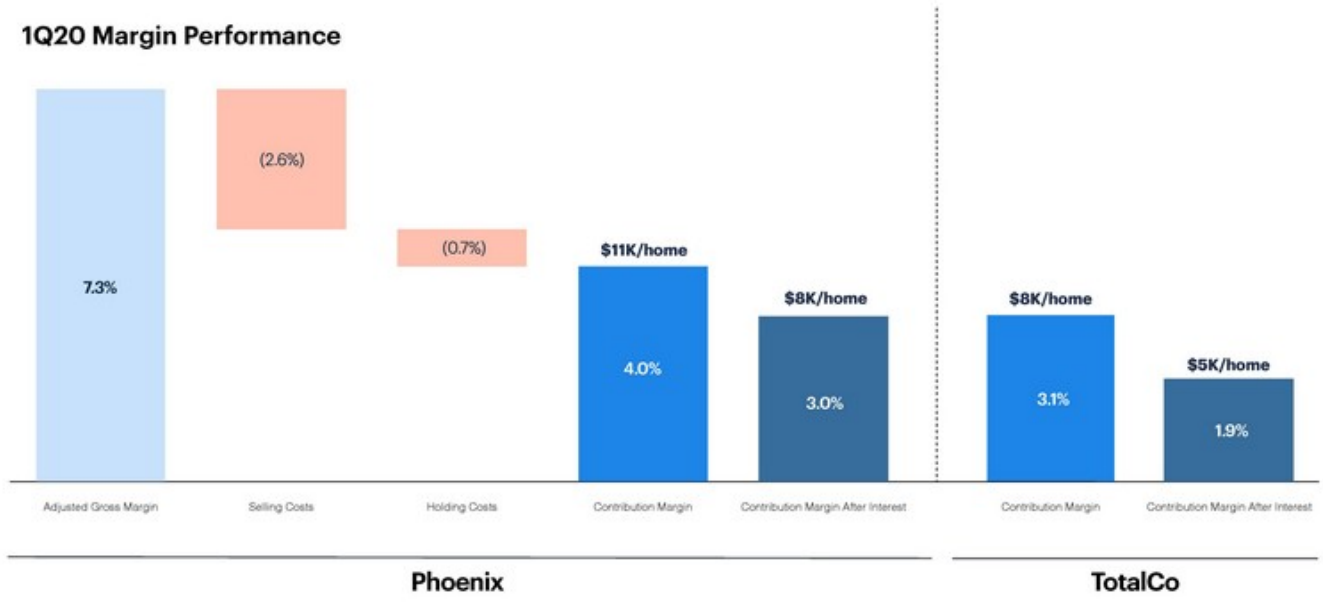




# Financial overview

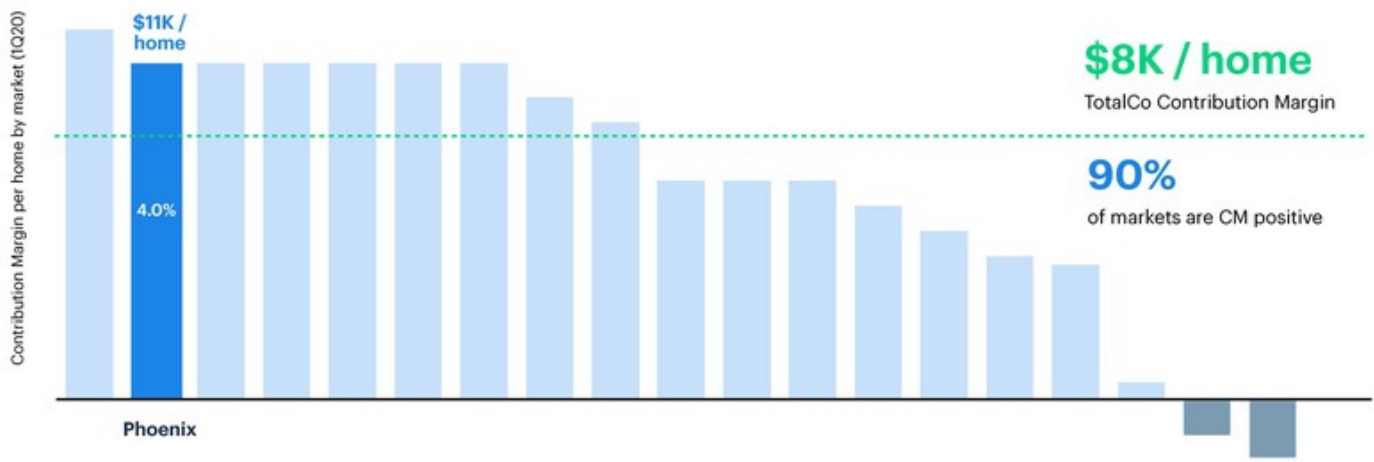
# We have proven, positive unit economics

## 1Q20 Margin Performance



Note: All metrics presented are non-GAAP, see reconciliation in Appendix for TotalCo. Phoenix market metrics use same methodology as total company equivalents

# The vast majority of our markets are CM positive



Note: All metrics presented are non-GAAP; see reconciliation in Appendix. Based on 1Q20 performance for 19 markets. Excludes ramping markets with fewer than 50 Resale Closes in 1Q20.

# Demonstrated success in adding high margin services

## First proof point with title & escrow

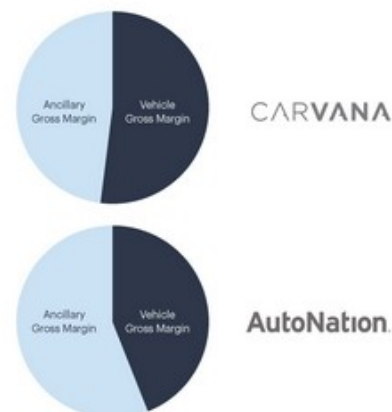


Note: Attach rate based on total acquisition and Resale Closes in markets where Company title product is active, beginning 3Q17. Active adjacent services Contribution Margin / home based on Company forecasts assuming \$250K home. To be launched category reflects Company estimates.

## Adjacent services roadmap

Established	Target CM / home
Title & Escrow	\$1,750
<b>Recently launched</b>	
Home Loans	\$5,000
Buy with Opendoor	\$5,000
List with Opendoor	\$3,750
<b>To be launched</b>	
Home warranty, upgrade & remodel, home insurance, moving services	\$7,500

# Significant margin upside from additional services and cost optimization

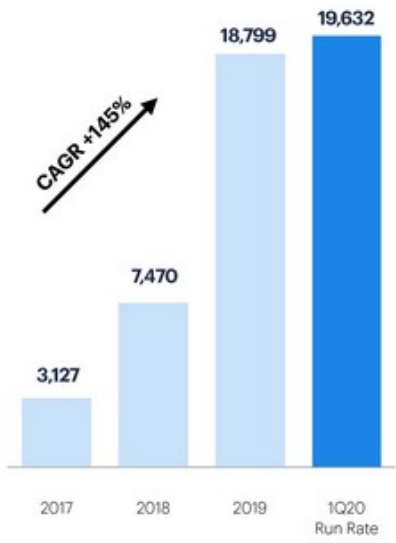


Expect ~50 / 50 long-term unit margin composition, similar to other "trade-in" business models

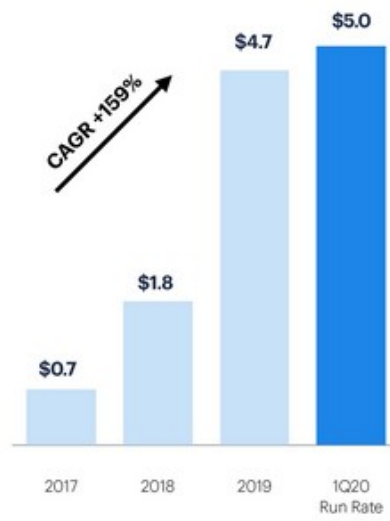
Note: Contribution Margin presented is non-GAAP, see reconciliation in Appendix  
 Carvana and AutoNation business mix based on public filings; AutoNation mix excludes parts and warranty services  
 Cost optimization includes selling cost and holding cost improvements

# Rapid growth at scale and improving profitability

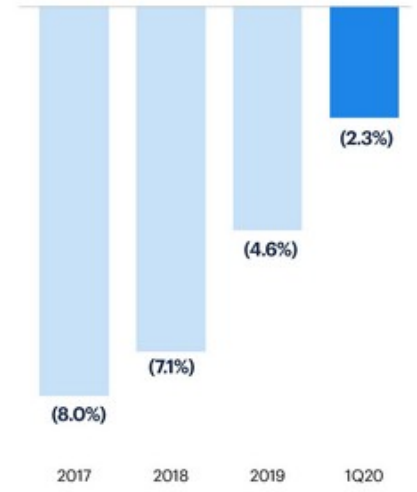
Homes sold



Revenue (\$B)



Adjusted EBITDA Margin



Note: Adjusted EBITDA Margin is a non-GAAP metric, see reconciliation in Appendix  
 1Q20 run rates do not reflect the full impact of COVID-19; see Summary Financials for full-year 2020 projections

# Scalable, efficient financing in place

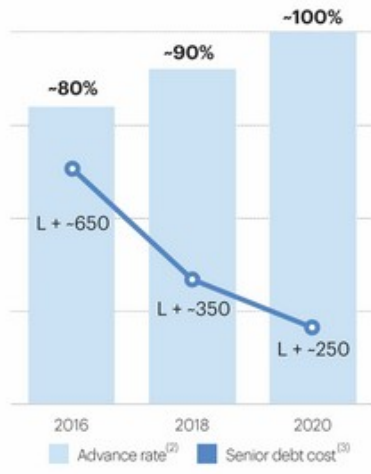
**Committed, non-recourse asset-backed facilities of \$2.4B<sup>(1)</sup>**

**Proven ability to scale capacity and reduce costs**

- Increased advance rate from -80% to -100%
- Decreased interest spread from -650 to -250

**Diversified and high quality lender base with staggered maturities**

## Attractive debt financing



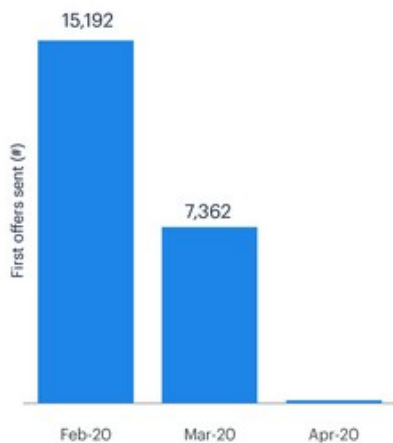
## Pro forma equity capital (\$M)



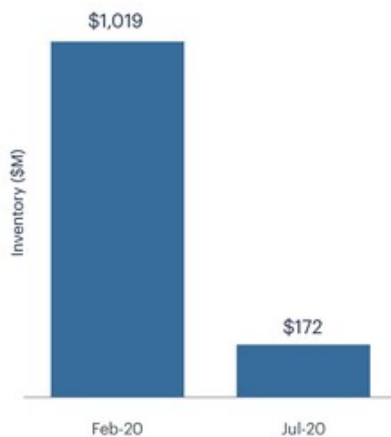
Note: Metrics as of June 30, 2020 are preliminary and subject to change.  
 (1) As of June 30, 2020. Debt facilities restricted use for the purchase of homes.  
 (2) Advance rate and Senior debt cost as representative. Advance rate represents the combined senior and mezzanine advance on the purchase price of homes at time of acquisition.  
 (3) Interest rates presented are an approximate average, weighted by senior bank committed capacity.  
 (4) Adjusted Equity is a non-GAAP metric. As of June 30, 2020, Adjusted Equity was equal to \$539M in GAAP equity plus \$191M in Convertible Notes and Derivative Liabilities on an as converted basis.  
 (5) Cash includes Unrestricted Cash and Marketable Securities as of June 30, 2020.

# COVID-19: Systems built to react quickly to changing market conditions

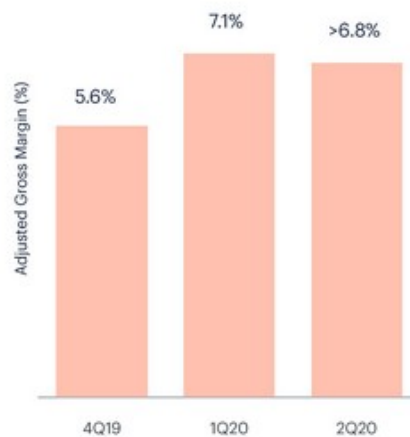
## Paused offers



## De-risked balance sheet



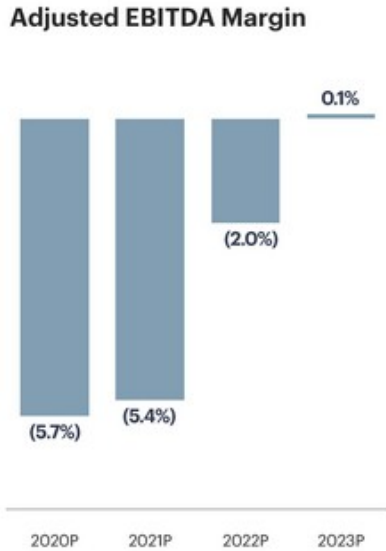
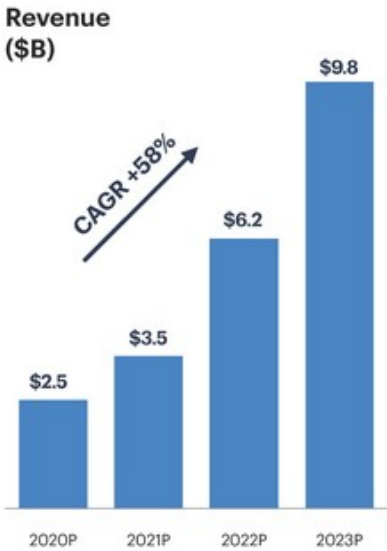
## Maintained margins



Note: Adjusted Gross Margin is a non-GAAP metric, see reconciliation in Appendix. 2Q20 is preliminary and subject to change.



# Projecting continued strong growth and path to profitability



Note: Contribution Margin and Adjusted EBITDA Margin are non-GAAP metrics, see reconciliation in Appendix

# Summary financials

	2017	2018	2019	2020P	2021P	2022P	2023P
<b>Homes Sold</b>	3,127	7,470	18,799	9,673	13,458	24,030	37,689
% YoY Growth	113%	139%	152%	(49%)	39%	79%	57%
<b>Total Revenue (\$B)</b>	\$0.7	\$1.8	\$4.7	\$2.5	\$3.5	\$6.2	\$9.8
% YoY Growth	109%	159%	158%	(48%)	41%	79%	58%
<b>Adjusted Gross Profit (\$M)</b>	\$66	\$146	\$297	\$172	\$269	\$521	\$892
% Revenue	9.3%	7.9%	6.3%	7.0%	7.8%	8.4%	9.1%
<b>Contribution Margin (\$M)</b>	\$31	\$65	\$92	\$72	\$142	\$290	\$539
% Revenue	4.4%	3.5%	1.9%	3.0%	4.1%	4.7%	5.5%
% YoY Growth	-	107%	42%	(21%)	97%	104%	86%
<b>Contribution Margin After Interest (\$M)</b>	\$24	\$43	\$27	\$44	\$116	\$239	\$458
% Revenue	3.4%	2.4%	0.6%	1.8%	3.3%	3.9%	4.7%
% YoY Growth	-	82% or	(36)%	61%	161%	106%	92%
<b>Adjusted EBITDA (\$M)</b>	(\$57)	(\$131)	(\$218)	(\$141)	(\$185)	(\$123)	\$9
% Revenue	(8.0%)	(7.1%)	(4.6%)	(5.7%)	(5.4%)	(2.0%)	0.1%

Note: Adjusted Gross Profit, Contribution Margin, Contribution Margin After Interest and Adjusted EBITDA are non-GAAP metrics, see reconciliation in Appendix for historical numbers

# Long-term margin targets

Metric	2018	2019	1Q20	Long-Term Target	Key Drivers
<b>Total Contribution Margin</b>	3.5%	1.9%	3.1%	7 - 9% (\$20K/home) <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Maturation of existing, launched markets</li> <li>• Continuing optimization of cost structure</li> <li>• Penetration of high margin services</li> </ul>
<b>Contribution Margin After Interest</b>	2.4%	0.6%	1.9%	6 - 8% (\$17.5K/home) <sup>(1)</sup>	<ul style="list-style-type: none"> <li>• Assumes 100bps of steady-state interest expense</li> </ul>
<b>Adjusted EBITDA Margin</b>	(7.1%)	(4.6%)	(2.3%)	4 - 6%	<ul style="list-style-type: none"> <li>• Flow-through from improving contribution</li> <li>• Leverage on operations, marketing and fixed operating costs</li> </ul>

Note: <sup>(1)</sup> Assumes home sale price of \$250K  
All metrics presented are non-GAAP; see reconciliation in Appendix.

## Investment summary

Massive, fragmented market	<b>\$1.6T</b> Existing home sales	<b>&lt;1%</b> Online penetration
Superior consumer experience	<b>70</b> Customer NPS	<b>34%</b> Real seller conversion
Market leader with low cost platform	<b>12x</b> More efficient	<b>40%+</b> Scale cost savings
Rapid growth and scale	<b>\$4.7B</b> 2019 revenue	<b>150%+</b> CAGR (2017-19)
Strong unit economics	<b>3.1%</b> 1Q20 Contribution Margin	<b>90%</b> % of markets with +CM
Significant upside via market and services expansion	<b>100+</b> Market opportunity	<b>+3%</b> Additional service margin

# Opendoor

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# Transaction overview

# Transaction overview

## Pro forma valuation

(\$M except per share values)

IPOB illustrative share price	\$10.00
Pro forma shares outstanding (M) <sup>(1)</sup>	630.7
Total equity value	\$6,307
Cash on balance sheet <sup>(2)</sup>	\$1,539
<b>Total enterprise value</b>	<b>\$4,768</b>

### Total Enterprise Value / Revenue

**1.0x** (based on 2019 Revenue of \$4.7B)

**0.5x** (based on 2023 Revenue of \$9.8B)

## Sources and uses

(\$M)

<b>Sources</b>	
Cash from PIPE (including co-investment)	\$600
Cash from IPOB	\$414
<b>Total sources</b>	<b>\$1,014</b>

<b>Uses</b>	
Cash to balance sheet	\$979
Estimated transaction fees and expenses	\$35
<b>Total uses</b>	<b>\$1,014</b>

Note: (1) Total shares includes 500.0 million rollover equity shares (inclusive of existing management options and RSUs rolling over), 41.4 million IPOB public shares, 60.0 million shares from PIPE, 10.4 million IPOB founder shares and 18.9 million bonus shares to management. Assumes no redemptions.

(2) Cash on balance sheet includes unrestricted cash and marketable securities of \$560M as of June 30, 2020 plus \$979M of proceeds from the transaction.

# Transaction overview (continued)

Pro forma enterprise value of \$4.8B

\$600M PIPE raised at \$10 / share consisting of:

\$200M from affiliated entities, led by \$100M from Chamath Palihapitiya, Founder and CEO of SCH, and \$58M from Hedosophia, with the remainder invested by existing Opendoor shareholders, Access Industries and Lennar, along with Opendoor management

Top-tier institutional investors are investing an additional \$400M including funds and accounts managed by BlackRock and Healthcare of Ontario Pension Plan (HOOPP)

100% rollover by existing Opendoor shareholders

Over \$1.5B of pro forma cash held on balance sheet

Completion of transaction is expected by 4Q20

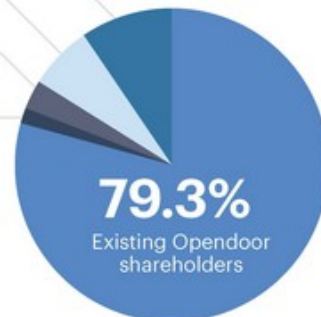
## Pro forma ownership <sup>(1)</sup>

9.5% PIPE

6.6% IPOB shareholders

3.0% Management awards <sup>(2)</sup>

1.6% IPOB sponsors <sup>(3)</sup>



Note: (1) Total shares includes 500.0 million rollover equity shares (inclusive of existing management options and RSUs rolling over), 41.4 million IPOB public shares, 60.0 million shares from PIPE, 10.4 million IPOB founder shares and 18.9 million bonus shares to management. Assumes no redemptions.  
 (2) 1.0% of the management bonus award will be allocated to the CEO, while the remainder will be allocated by the compensation committee of the combined company within normal planning cycle (i.e., within the next year). One-quarter of these awards will vest 1-year after completion and the remainder of which will vest ratably over the following three years.  
 (3) Excludes investment in PIPE.



# Appendix

# Non-GAAP reconciliations

	2017	2018	2019	1Q20
<b>GAAP Gross Profit (\$M)</b>	<b>\$66</b>	<b>\$133</b>	<b>\$301</b>	<b>\$91</b>
Adjustments:				
Net Impairment	\$0	\$13	(\$5)	(\$2)
<b>Adjusted Gross Profit</b>	<b>\$66</b>	<b>\$146</b>	<b>\$297</b>	<b>\$89</b>
<i>Adjusted Gross Margin</i>	9.3%	7.9%	6.3%	7.1%
Direct Selling Costs	(\$26)	(\$62)	(\$149)	(\$37)
Holding Costs on Sales	(\$9)	(\$19)	(\$55)	(\$14)
<b>Contribution Profit</b>	<b>\$31</b>	<b>\$65</b>	<b>\$92</b>	<b>\$39</b>
<i>Contribution Margin</i>	4.4%	3.5%	1.9%	3.1%
Interest on Homes Sold	(\$7)	(\$21)	(\$65)	(\$15)
<b>Contribution Profit After Interest</b>	<b>\$24</b>	<b>\$43</b>	<b>\$27</b>	<b>\$23</b>
<i>Contribution Margin After Interest</i>	3.4%	2.4%	0.6%	1.9%

Note: Financials may not sum due to rounding  
 Net Impairment reflects inventory valuation adjustments recorded during the period on homes remaining in inventory at period end net of inventory valuation adjustments recorded in prior periods related to homes sold in the period presented

## Non-GAAP reconciliations

	2017	2018	2019	4Q19	1Q20
<b>GAAP Gross Profit (\$M)</b>	<b>\$66</b>	<b>\$133</b>	<b>\$301</b>	<b>\$74</b>	<b>\$91</b>
Adjustments:					
Net Impairment	\$0	\$13	(\$5)	(\$3)	(\$2)
<b>Adjusted Gross Profit</b>	<b>\$66</b>	<b>\$146</b>	<b>\$297</b>	<b>\$71</b>	<b>\$89</b>
<i>Adjusted Gross Margin</i>	9.3%	7.9%	6.3%	5.6%	7.1%

Note: Financials may not sum due to rounding  
Net Impairment reflects inventory valuation adjustments recorded during the period on homes remaining in inventory at period end and net of inventory valuation adjustments recorded in prior periods related to homes sold in the period presented

# Non-GAAP reconciliations

	2017	2018	2019	1Q20
<b>GAAP Net Income (\$M)</b>	<b>(\$85)</b>	<b>(\$240)</b>	<b>(\$339)</b>	<b>(\$62)</b>
Adjustments:				
Stock Based Compensation	\$4	\$15	\$13	\$3
Warrant Expense	\$0	\$18	(\$6)	\$1
Net Impairment	\$0	\$13	(\$5)	(\$2)
Intangibles Amortization Expense	\$0	\$1	\$3	\$1
Restructuring	\$0	\$0	\$3	\$1
Convertible Note Interest & Discount Amortization	\$0	\$0	\$4	\$3
Other	\$0	\$1	\$0	\$0
<b>Adjusted Net Income</b>	<b>(\$81)</b>	<b>(\$192)</b>	<b>(\$327)</b>	<b>(\$56)</b>
Adjustments:				
Depreciation & Amortization	\$1	\$5	\$15	\$5
Property Financing	\$16	\$48	\$84	\$18
Other Interest and Amortization of Loan Costs	\$7	\$12	\$21	\$7
Interest Income	(\$1)	(\$4)	(\$12)	(\$3)
Taxes	-	\$0	\$0	\$0
<b>Adjusted EBITDA</b>	<b>(\$57)</b>	<b>(\$131)</b>	<b>(\$218)</b>	<b>(\$28)</b>
<i>Adjusted EBITDA Margin</i>	<i>(8.0%)</i>	<i>(7.1%)</i>	<i>(4.6%)</i>	<i>(2.3%)</i>

Note: Financials may not sum due to rounding  
Other reflects Other Income, Other Expense, and Gain/(Loss) on Mortgage Rate Lock Commitment

# IPOB

SOCIAL CAPITAL HEDOSOPHIA II  
SEPTEMBER 2020

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# GOALS

PARTNER WITH AN ICONIC  
TECHNOLOGY COMPANY

HELP THEM TRANSITION TO THE PUBLIC MARKETS



ENABLE THEM TO FUND LONG-TERM GROWTH

BUILD A LEGACY COMPANY

# CONSUMPTION

OFFLINE CONSUMPTION HAS BECOME  
TOO CUMBERSOME FOR MOST PEOPLE

PEOPLE VALUE TIME,  
CONVENIENCE AND CONSISTENCY

THIS IS WHAT MODERN  
SOFTWARE EXCELS AT DELIVERING

THE RESULT IS THAT  
EVERYTHING IS MOVING ONLINE

BUYING CLOTHES  
BUYING GROCERIES  
BUYING CARS  
BUYING ANYTHING  
BUYING EVERYTHING





LEADERS IN THESE  
CATEGORIES HAVE TAILWINDS

LONG TERM GROWTH  
AND ADVANTAGES OF SCALE

ONE CATEGORY OF  
CONSUMPTION HAS STAYED THE SAME

# REAL ESTATE

## 68% OF AMERICANS ARE HOMEOWNERS

Note: Data sourced from U.S. Census Bureau.

5M HOMES ARE SOLD EVERY YEAR IN THE US

Note: Data sourced from National Association of Realtors.

THE **LARGEST**, UNDISRUPTED **MARKET**  
IN THE US WORTH **\$1.6T** ANNUALLY

Note: Data sourced from U.S. Census Bureau and National Association of Realtors.



## HIGHLY FRAGMENTED INCUMBENTS, LOW NPS AND 28% DO IT AS A PART-TIME JOB

Note: Data sourced from U.S. Bureau of Labor Statistics, U.S. Census Bureau and National Association of Realtors.

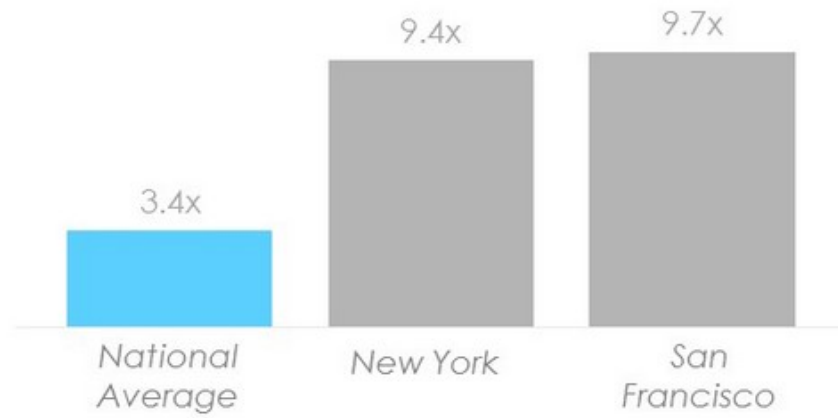
# Opendoor

# IPOB + **Opendoor**

# TAILWINDS

LACK OF RESALE INVENTORY AND NEW  
HOME EXPANSION HAS CONSTRAINED SUPPLY

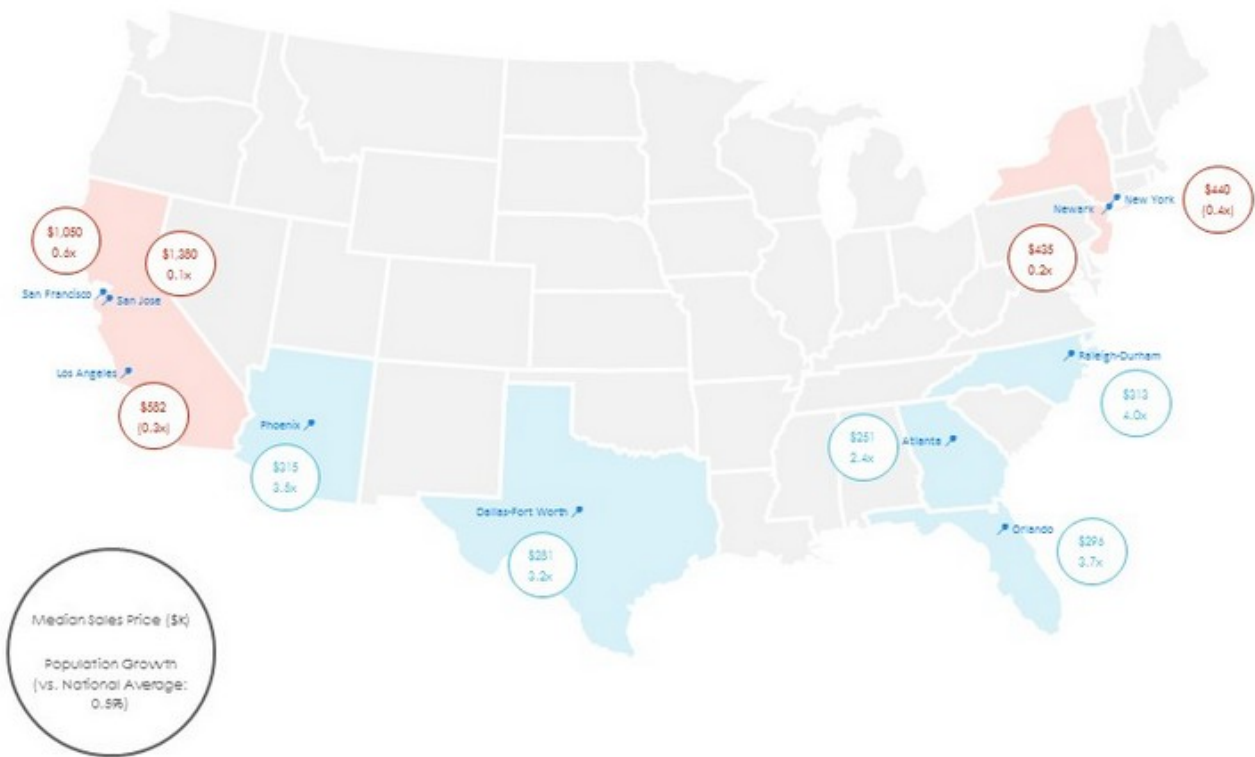
## Median house price vs household income



Note: Analysis based on US Census Bureau data; median value of owner-occupied housing units (2014-2018) and median household income (2014-2018, re-based to 2018 currency).

INCREASING STATE TAXES AND  
ELIMINATION OF SALT DEDUCTIONS ARE  
CREATING RELOCATION DECISIONS

## CENTERS OF GRAVITY IN US ARE SHIFTING



Note: Population growth shown as a 3-yr CAGR from 2016-2019.  
 Analysis based on National Association of Realtors (NAR) data as of 2Q20 and US Census Bureau data from 2016-2019.



WORKING FROM HOME  
IS ACCELERATING RELOCATION DECISIONS

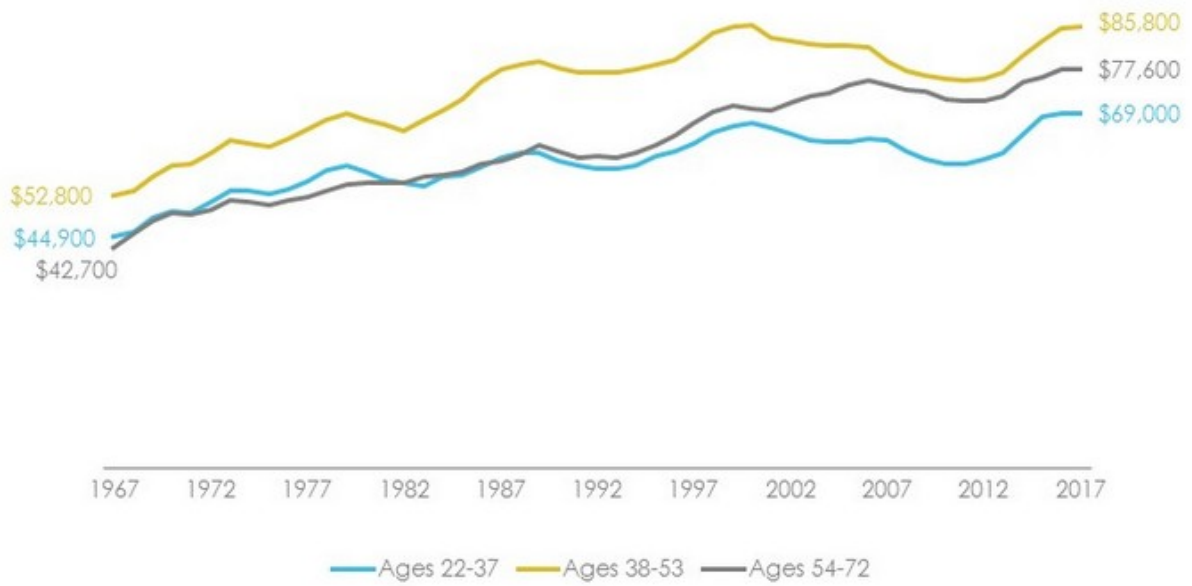
URBAN RESIDENTS NOW **SEARCH** MORE FOR  
**SUBURBAN** PROPERTIES, AN ALL TIME **RECORD**

75M MILLENNIALS ARE STARTING  
TO ENTER THE HOUSING MARKET

Source: Pew Research Center.

AND THEY HAVE BUYING POWER

## Median household income per age cohort



Source: Pew Research Center.

## AMERICANS ARE ON THE MOVE

# OPENDOOR

PRODUCT BRINGS MACHINE LEARNING,  
USER EXPERIENCE AND OPERATIONS  
TOGETHER TO CREATE A SEAMLESS EXPERIENCE



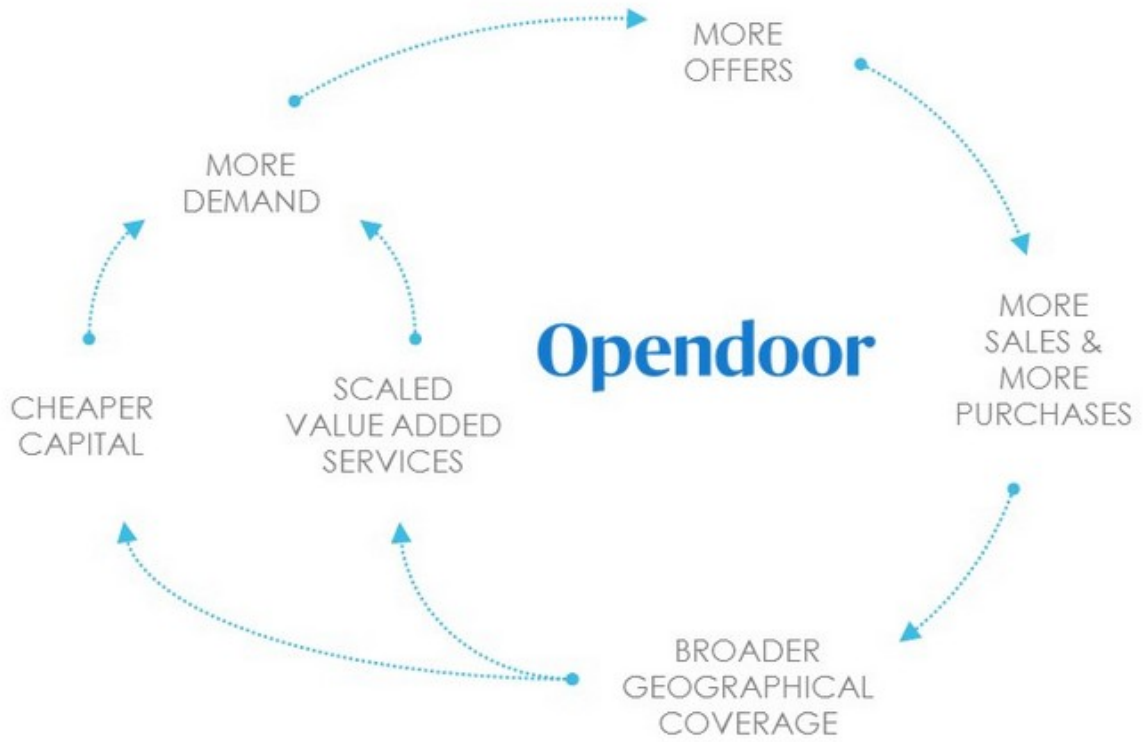
OPENDOOR HAS ACHIEVED  
SIGNIFICANT SCALE IN JUST A FEW YEARS

# 2019 REVENUE OF \$4.7B

Note: Company data.

BUILDING A VIRTUOUS CYCLE WITH  
COMPOUNDING ADVANTAGES OF SCALE

# COMPOUNDING ADVANTAGES



EXISTING PLAYBOOK AT 4% MARKETSHARE  
CREATES A COMPANY WITH \$50B IN REVENUES

FIN

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