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continue to make investments that will serve sellers and buyers over the long term even if a return on these investments is not realized in the short term. For the nine months ended September 30, 2015 and September 30, 2014, we generated a net loss of \$131.5 million and \$117.0 million, respectively. In 2014 and 2013, we generated a net loss of \$154.1 million and \$104.5 million, respectively.

**Trends in Our Favor****Local businesses drive the economy**

According to the U.S. Census Bureau's 2012 and 2013 reports and the U.S. Small Business Administration's March 2014 report, the approximately 30 million small businesses in the United States generated 46% of the nation's private sector output in 2010. These figures likely underestimate significant parts of the American economy. For example, they do not include the millions of businesses run by freelancers, artists, hobbyists, and others. We believe small businesses will continue to drive the economy as entrepreneurial activity creates millions of businesses each year. The Kauffman Index 2015 report estimates that in 2014 approximately 530,000 new entrepreneurs started businesses each month. Local businesses engage in significant commerce and are essential to the economy and character of local communities, acting as an on-ramp for anyone of any background to participate in economic growth.

**Commerce is increasingly digital and mobile**

The transition from cash and checks to electronic payments is occurring rapidly. In 2013, U.S. consumer payments totaled \$8.9 trillion, including 55% (\$4.9 trillion) through payment cards, 17% (\$1.6 trillion) through cash, and 12% (\$1.0 trillion) through checks, according to The Nilson Report published in December 2014. In 2018, consumer payments are expected to reach \$11.4 trillion, with payment cards growing to 66% (\$7.6 trillion) and cash and checks declining in use, also according to The Nilson Report published in December 2014. Globally, according to The Nilson Report published in January 2015, global purchase volume on payment cards is expected to increase from \$16 trillion in 2013 to \$49 trillion in 2023 (a 12% compound annual growth rate).

The rapid growth of mobile devices and associated app stores has provided freedom and accessibility to sellers and buyers, who can now engage in commerce anywhere. An estimated 438 million mobile devices in the United States accessed the internet in 2013, and this is expected to grow to over 690 million devices in 2018.

**The shift to authenticated payments technologies creates opportunities for disruption**

The shift to both EMV and contactless payments creates an opportunity for providers of more modern and lower cost POS solutions to displace legacy systems, as sellers upgrade to take advantage of increased security, lower financial loss, and an improved buyer experience.

U.S. credit card companies set October 1, 2015, as the date for the national adoption of EMV or chip cards. While this technology is not new globally, and in fact is widely used in most countries, the United States is currently in the process of migrating to EMV technology. Businesses that cannot process chip cards are now held financially responsible for certain fraudulent transactions previously covered by the cardholder's issuing bank, effectively shifting the liability to sellers. In order to mitigate this liability shift, sellers must upgrade their payment card terminals to EMV