

	Year Ended December 31,			Nine Months Ended September 30,	
	2012	2013	2014	2014	2015
	(in thousands)			(unaudited)	
<b>Consolidated Statement of Operations Data:</b>					
Revenue:					
Transaction revenue	\$ 193,978	\$ 433,737	\$ 707,799	\$ 501,468	\$ 751,929
Starbucks transaction revenue	9,471	114,456	123,024	86,508	95,199
Software and data product revenue	—	—	12,046	6,022	35,628
Hardware revenue	—	4,240	7,323	5,300	10,002
Total net revenue	<u>203,449</u>	<u>552,433</u>	<u>850,192</u>	<u>599,298</u>	<u>892,758</u>
Cost of revenue:					
Transaction costs	126,351	277,833	450,858	318,501	479,937
Starbucks transaction costs	12,547	139,803	150,955	107,889	118,542
Software and data product costs	—	—	2,973	1,032	13,820
Hardware costs	—	6,012	18,330	13,527	16,636
Amortization of acquired technology	—	—	1,002	602	2,886
Total cost of revenue	<u>138,898</u>	<u>423,648</u>	<u>624,118</u>	<u>441,551</u>	<u>631,821</u>
Gross profit	<u>64,551</u>	<u>128,785</u>	<u>226,074</u>	<u>157,747</u>	<u>260,937</u>
Operating expenses:					
Product development	46,568	82,864	144,637	104,967	140,452
Sales and marketing	56,648	64,162	112,577	81,704	107,170
General and administrative	36,184	68,942	94,220	68,585	97,743
Transaction and advance losses	10,512	15,329	24,081	17,826	40,840
Amortization of acquired customer assets	—	—	1,050	591	1,373
Impairment of intangible assets	—	2,430	—	—	—
Total operating expenses	<u>149,912</u>	<u>233,727</u>	<u>376,565</u>	<u>273,673</u>	<u>387,578</u>
Operating loss	<u>(85,361)</u>	<u>(104,942)</u>	<u>(150,491)</u>	<u>(115,926)</u>	<u>(126,641)</u>
Interest (income) and expense	5	(12)	1,058	615	995
Other (income) and expense	(167)	(950)	1,104	737	1,390
Loss before income tax	<u>(85,199)</u>	<u>(103,980)</u>	<u>(152,653)</u>	<u>(117,278)</u>	<u>(129,026)</u>
Provision (benefit) for income taxes	—	513	1,440	(257)	2,502
Net loss	<u>\$ (85,199)</u>	<u>\$ (104,493)</u>	<u>\$ (154,093)</u>	<u>\$ (117,021)</u>	<u>\$ (131,528)</u>

Operating expenses include share-based compensation expense as follows:

	Year Ended December 31,			Nine Months Ended September 30,	
	2012	2013	2014	2014	2015
	(in thousands)			(unaudited)	
Product development	\$3,984	\$ 8,820	\$24,758	\$16,907	\$33,287
Sales and marketing	668	1,235	3,738	2,553	4,524
General and administrative	3,462	4,603	7,604	5,193	11,675
Total share-based compensation	<u>\$8,114</u>	<u>\$14,658</u>	<u>\$36,100</u>	<u>\$24,653</u>	<u>\$49,486</u>

## Table of Contents

	Year Ended December 31,		As of
	2013	2014	September 30, 2015
	(in thousands)		(unaudited)
<b>Consolidated Balance Sheet Data:</b>			
Cash and cash equivalents	\$ 166,176	\$ 225,300	\$ 174,083
Settlements receivable	64,968	115,481	156,188
Working capital	124,061	218,761	107,247
Total assets	318,341	541,888	597,946
Customers payable	95,794	148,648	238,085
Total stockholders' equity	162,294	273,672	236,462