

Operating loss	(85,361)	(104,942)	(150,491)	(115,926)	(126,641)
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	(85,199)	(103,980)	(152,653)	(117,278)	(129,026)
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>

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The following table sets forth share-based compensation expense for the periods shown:

	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>

Comparison of Nine Months Ended September 30, 2014 and 2015

Total Net Revenue

The following table sets forth our total net revenue for the periods shown:

	Nine Months Ended September 30,		\$	% Change
	2014	2015		
	(in thousands) (unaudited)			
Transaction revenue	\$ 501,468	\$ 751,929	\$250,461	50%
Starbucks transaction revenue	86,508	95,199	8,691	10%
Software and data product revenue	6,022	35,628	29,606	NM
Hardware revenue	5,300	10,002	4,702	89%
Total net revenue	<u>\$ 599,298</u>	<u>\$ 892,758</u>	<u>\$293,460</u>	<u>49%</u>

Total net revenue for the nine months ended September 30, 2015, increased by \$293.5 million, or 49%, compared to the nine months ended September 30, 2014.

Transaction revenue for the nine months ended September 30, 2015, increased by \$250.5 million, or 50%, compared to the nine months ended September 30, 2014. This increase was attributable to growth in GPV processed of \$8.6 billion, or 51%, to \$25.5 billion from \$16.8 billion. The majority of growth in GPV was derived from new sellers added within the 12-month period ended September 30, 2015; a smaller portion was generated by growth in GPV from the payment activity of existing sellers that were approved to transact with us on or prior to September 30, 2014. Transaction revenue as a percentage of GPV remained constant period to period and contributed 84% of total net revenue in both the nine months ended September 30, 2015, and 2014.

Starbucks transaction revenue for the nine months ended September 30, 2015, increased by \$8.7 million, or 10%, compared to the nine months ended September 30, 2014. Starbucks transaction revenue contributed 11% of total net revenue in the nine months ended September 30, 2015, down from 14% in the nine months ended September 30, 2014.

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