

providers such as Intuit and Bigcommerce.

Financial Services

Square Capital

Square Capital provides MCAs to pre-qualified sellers. Our sellers are attracted to the service because we reach out to them proactively with an offer of an advance based on their payment processing history. The terms are straightforward, they get their funds quickly (often the next business day), and, in return, they agree to make payments to us equal to a percentage of the payment volume we process for them up to a fixed amount. We receive these payments seamlessly through each card transaction we process for them. A seller can quickly access the status of their Square Capital through their Square dashboard. In addition, the service has a strong recurring nature, with nearly 90% of sellers who have been offered a second Square Capital advance choosing to accept a repeat advance. We currently fund a significant majority of these advances from arrangements with third parties who commit to purchase the future receivables related to these MCAs. This funding significantly increases the speed with which we can scale Square Capital and allows us to mitigate our balance sheet risk.

123

Table of Contents

Welcome to Square Capital

Click on one of the personalized options below to request capital.

<p>\$7,000</p> <p>\$7,910 Owed to Square 9% of Card Sales</p> <p>Request \$7,000</p>	<p>\$8,500</p> <p>\$9,605 Owed to Square 11% of Card Sales</p> <p>Request \$8,500</p>	<p>\$10,000</p> <p>\$11,300 Owed to Square 13% of Card Sales</p> <p>Request \$10,000</p>
---	--	---

Sellers receiving MCAs are contractually obligated to use Square as their only card payment processing services until we have received the agreed-upon fixed amounts of receivables. To the extent a seller breaches this obligation, the seller would be liable to us for the balance of the purchased receivables. Consistent with the general nature of MCAs, there is also no fixed period of time in which the seller must deliver the purchased future receivables to us, as delivery of the purchased future receivables is contingent on the generation of such receivables, and we do not otherwise have any economic recourse to the seller in the event that it does not process a sufficient volume of payments with us to pay the agreed-upon fixed amount of receivables.

Square Payroll

Square Payroll is an affordable, easy-to-use payroll service for sellers, optimized for those with hourly employees. It works seamlessly with Square Register so that employee hours worked can be pre-populated from employee shift logging information. This reduces complexity, saving time and money for our sellers. Square Payroll is currently available as a limited release in California with plans to expand nationwide.

Marketing Services

Square Customer Engagement

Square Customer Engagement helps sellers better analyze and understand their businesses, engage their buyers in ongoing conversations, and promote their offerings through email marketing to drive additional sales. Buyers that have opted in to receive a digital receipt via Square Register can contact the seller about their experience directly from the receipt. A seller can reply to a buyer and even offer a credit or refund directly. We automatically build customer lists for those who have opted in and organize them (loyal, casual, lapsed, etc.) to add context to an otherwise anonymous channel. Sellers can also upload their own buyer contact information. Sellers can create promotions, announcements, or event invitations to send to their buyers. Square Customer