

|   |                    |                     |                     |                     |                     |
|---|--------------------|---------------------|---------------------|---------------------|---------------------|
| Total cost of revenue   | 138,898            | 423,648             | 624,118             | 441,551             | 631,821             |
| Gross profit  | 64,551             | 128,785             | 226,074             | 157,747             | 260,937             |
| 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  | 149,912            | 233,727             | 376,565             | 273,673             | 387,578             |
| 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> |
| Net loss per share:   |                    |                     |                     |                     |                     |
| Basic   | <u>\$ (0.71)</u>   | <u>\$ (0.82)</u>    | <u>\$ (1.08)</u>    | <u>\$ (0.84)</u>    | <u>\$ (0.88)</u>    |
| Diluted   | <u>\$ (0.71)</u>   | <u>\$ (0.82)</u>    | <u>\$ (1.08)</u>    | <u>\$ (0.84)</u>    | <u>\$ (0.88)</u>    |
| Weighted-average shares used to compute net loss per share:                   |                    |                     |                     |                     |                     |
| Basic   | <u>119,220</u>     | <u>127,845</u>      | <u>142,042</u>      | <u>140,024</u>      | <u>149,058</u>      |
| Diluted   | <u>119,220</u>     | <u>127,845</u>      | <u>142,042</u>      | <u>140,024</u>      | <u>149,058</u>      |
| Pro forma net loss per share attributable to common stockholders (unaudited): |                    |                     |                     |                     |                     |
| Basic   |                    |                     | <u>\$ (0.56)</u>    |                     | <u>\$ (0.46)</u>    |
| Diluted   |                    |                     | <u>\$ (0.56)</u>    |                     | <u>\$ (0.46)</u>    |

See accompanying notes to consolidated financial statements.

F-4

Table of Contents

**SQUARE, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
*(In thousands)*

|  | Year Ended December 31, |                     |                     | Nine Months Ended<br>September 30, |                     |
|--|-------------------------|---------------------|---------------------|------------------------------------|---------------------|
|  | 2012                    | 2013                | 2014                | 2014                               | 2015                |
|  |                         |                     |                     | (Unaudited)                        |                     |
| Net loss                                     | \$ (85,199)             | \$ (104,493)        | \$ (154,093)        | \$ (117,021)                       | \$ (131,528)        |
| Net foreign currency translation adjustments | (4)                     | (689)               | (114)               | 389                                | (470)               |
| Total comprehensive loss                     | <u>\$ (85,203)</u>      | <u>\$ (105,182)</u> | <u>\$ (154,207)</u> | <u>\$ (116,632)</u>                | <u>\$ (131,998)</u> |

See accompanying notes to consolidated financial statements.

F-5

Table of Contents

**SQUARE, INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
*(In thousands, except for number of shares)*

| Convertible<br>preferred<br>stock | Common stock | Additional<br>paid-in | Accumulated<br>other<br>comprehensive | Accumulated | Total<br>stockholders' |
|-----------------------------------|--------------|-----------------------|---------------------------------------|-------------|------------------------|
|-----------------------------------|--------------|-----------------------|---------------------------------------|-------------|------------------------|