



# May 2018 Company Overview

[SQUARE.COM/INVESTORS](https://square.com/investors)



TAI CHI JIANBING  
San Francisco, CA

# Cautionary statement

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which statements involve substantial risks and uncertainties. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements regarding possible or assumed future performance and results of operations; the business plans and strategies of Square, Inc. (the “Company”); future growth in the Company’s businesses and services; the Company’s ability to cross-sell and up-sell its products; and information concerning expansion into new markets. Such statements are subject to a number of risks, uncertainties, and assumptions, and investors are cautioned not to place undue reliance on these statements. Actual results could differ materially from those expressed or implied, and reported results should not be considered as an indication of future performance.

Risks that contribute to the uncertain nature of the forward-looking statements include, among others, risks associated with developing and delivering products and services to address the rapidly evolving market for payments and point-of-sale, financial, and marketing services; the Company’s ability to expand its product portfolio and market reach and deal with the substantial and increasingly intense competition in its industry; the Company’s ability to retain existing sellers, attract new sellers, and increase sales to all sellers; changes to the rules and practices of payment card networks and acquiring processors; the Company’s history of generating net losses; possible fluctuations in the Company’s results of operation and operating metrics; and the effect of management changes and business initiatives, as well as other risks listed or described from time to time in the Company's filings with the Securities and Exchange Commission (the “SEC”), including the Company’s most recent filing on Form 10-Q, which is on file with the SEC and available on the investor relations page of the Company's website. Except as required by law, the Company assumes no obligation to update any of the statements in this document.

This document includes certain non-GAAP measures not based on generally accepted accounting principles. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP measures used by the Company may differ from the non-GAAP measures used by other companies. Reconciliations between GAAP and these non-GAAP measures are included in the appendix to this document. In addition, unless otherwise indicated, such non-GAAP measures and other metrics such as Adjusted Revenue, Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP operating expenses, GPV, active sellers, revenue retention rate, and payback period exclude the impact of Starbucks.

# The checklist to start a business is daunting

# PAYMENTS



# POINT OF SALE



# RECEIPTS

Tbl 201/1	CHk 4045	dat 5
	Dec21'12 05:23PM	
1 Yuengling Pint	6.40	
2 Beverage	6.00	
2 <u>DOZEN</u>	51.90	
24 <u>Oysters</u>	0.00	
2 <u>                </u>	0.00	
1 Calamari	10.50	
12 Jumbo Shrimp	36.00	
1 Small Caesar Sal	4.00	
1 Autumn Platter	16.50	

# EMPLOYEES

ID#	DEPT#	FILE#	CARD#			
S	E	IN	OUT	HOURS WORKED		ADJUSTMENTS
				HOURS WORKED	HOURS ENDED	
24M0		9:00	5:30	2	8:00	8:00
25TU		9:05	12:00		3:00	11:00
25TU		12:33	6:00	3	8:15	16:00 0:15
26WE		9:09	5:00		7:15	23:15
27TH		9:00	12:02		3:00	26:15
27TH		12:32	7:00		9:15	31:15 1:30
28FR		9:00	5:50		8:15	39:15 1:45
29SA		9:00H	2:00H	4	4:30	39:15 6:145
x					5	7:4:30

## ANALYTICS



## FINANCE

**Part 3. Education and Training**

Have you graduated from college?  
 Yes  
 No

**Application Form**

**Part 1. General Information**

Please review all questions carefully before preparing your application.

First Name:	Last Name:	E-mail Address:
Social Security Number:		Date of Birth:
Home Address (Include apartment number if any):		
		County:
City:		
State:		
Zip Code:		

**Application Type** (Check all boxes that apply to you):

Are you currently a permanent State of Washington employee?  
 Yes, List Current Agency's Name  
 No, Open Competitive (A)  Yes, List Current Agency's Name  
 Are you a former employee? Check application type (See Part 2)  
 Permanent Employee  HEP Employee (H)  Temp Employee (T)

## INVOICES

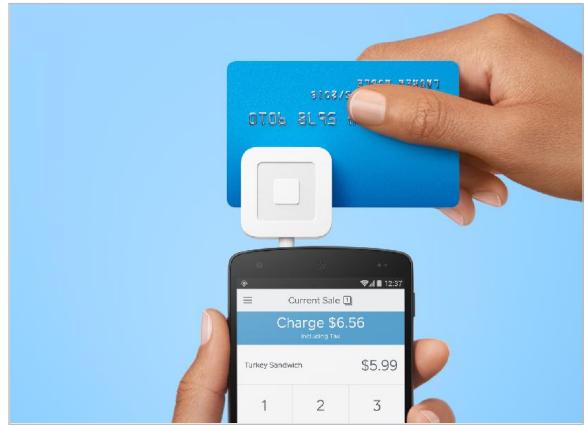
Ship order to:			Car information:		
Name	Paul M. McBride		Model	Year	
Address			Commission number		
<i>2000 1/2 S. Lakeside Seattle, Washington</i>			Are you a member of a Triumph Club?		
			Which?		
QUANTITY DESIRED	PLATE NUMBER	PART NUMBER	DETAILED DESCRIPTION	PRICE EACH	PRICE
1			Bush kit	4.00	4.00
1		58915	Tele lever seal	.50	.50
2			Bush and pins	7.00	14.00
4	(1 set)		Tie rod ends	10.50	42.00
1			Rod housing set	15.00	
4			Drag nuts front	1.50	6.00
15			Cat lifter arm		
(Consequently no stock			in immediate future;		
5		58917	Stud		
(Can supply good used ones; please specify length needed. Price would be the same.)					

# MARKETING



# Square offers tools for sellers to start, run and grow their business

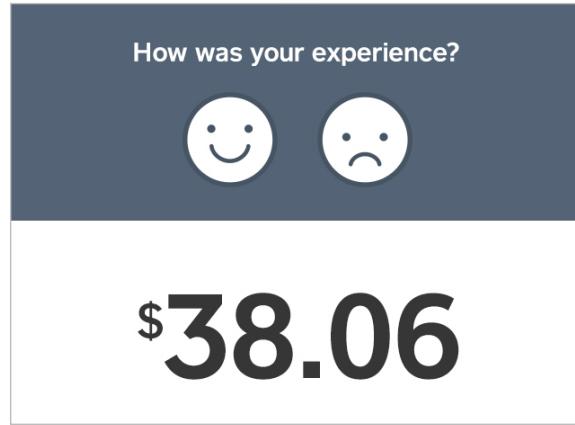
## PAYMENTS



## POINT OF SALE



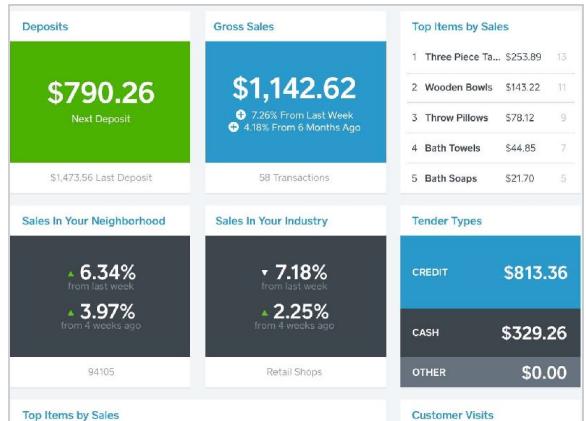
## RECEIPTS



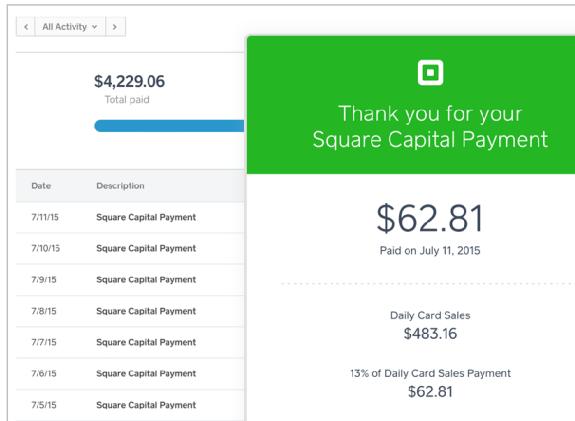
## EMPLOYEES/PAYROLL



## ANALYTICS



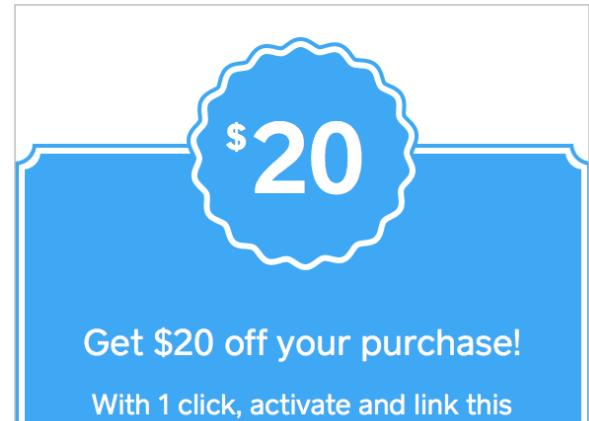
## FINANCE



## INVOICES



## MARKETING



# Square is building a unique ecosystem of products and services

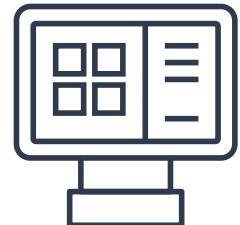
As sellers and individuals use more services, their activity with Square increases, reinforcing our recurring revenue model.



## MANAGED PAYMENTS

Full service offering to manage the entire payment lifecycle from onboarding, to accepting in-person and online payments, to fast settlement of funds, to disputes management.

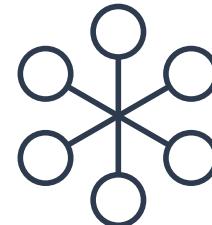
Instant Deposit,  
Virtual Terminal,  
Dashboard



## SOFTWARE

Advanced software that helps sellers manage payments, orders, inventory, employees, and customers, all integrated to create a cohesive experience.

Point of Sale, Dashboard, Employee Management, Appointments, Customer Engagement, Payroll, Square for Retail, Invoices



## DEVELOPER PLATFORM

Application program interfaces (APIs) enabling sellers and developers to customize their business solutions on Square's ecosystem.

Build with Square,  
App Marketplace



## GROWTH SERVICES

Powerful tools that help sellers further grow their businesses.

Capital, Caviar



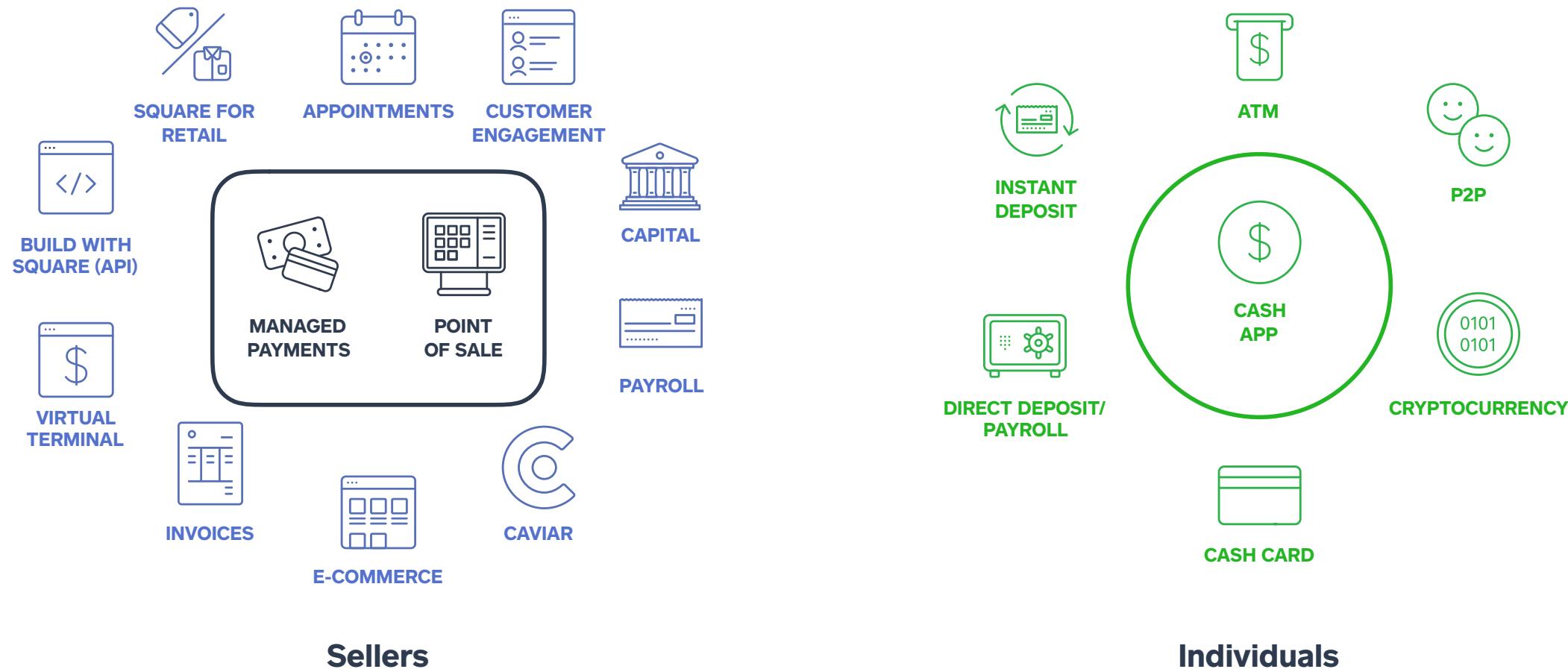
## CASH APP

Application that gives individuals increased access to the financial system by allowing them to send, store, and spend money.

P2P, Instant Deposit, Cash Card, Direct Deposit / Payroll, ATM, Bitcoin

# Square is building a unique ecosystem of products and services

As sellers and individuals use more services, their activity with Square increases, reinforcing our recurring revenue model.



# Square's U.S. payments opportunity



21M → \$3T → \$26B

APPLICABLE SMALL TO  
MEDIUM-SIZE BUSINESSES

GPV OPPORTUNITY

U.S. PAYMENTS  
ADJUSTED REVENUE  
OPPORTUNITY

Sources: 2012 U.S. Census, Euromonitor.

All figures are based on employer and non-employer firms with less than \$100 million in annual gross receipts in select industry verticals based on 2012 U.S. Census data. "GPV Opportunity" is calculated by multiplying total annual gross receipts by Euromonitor's estimate of card payment transaction mix of total consumer payments of 50%. "U.S. Payments Adjusted Revenue Opportunity" is calculated by multiplying total annual gross receipts by our average transaction margin as a percentage of GPV of 1%.

# We're building a \$70B+ commerce ecosystem



Sources: Euromonitor, 2012 U.S. Census, FDIC, Oliver Wyman, Goldman Sachs—Future of Finance, Morgan Stanley—The Pizza Paradigm for Online Food Delivery.

“U.S. Payments” Opportunity is calculated by multiplying total annual gross receipts based on 2012 U.S. Census data by our average transaction margin as a percentage of GPV of 1%.

“E-commerce” Opportunity is calculated by multiplying 2020 retail e-commerce Euromonitor forecasts as of December 31, 2017 by our average transaction margin as a percentage of GPV of 1%.

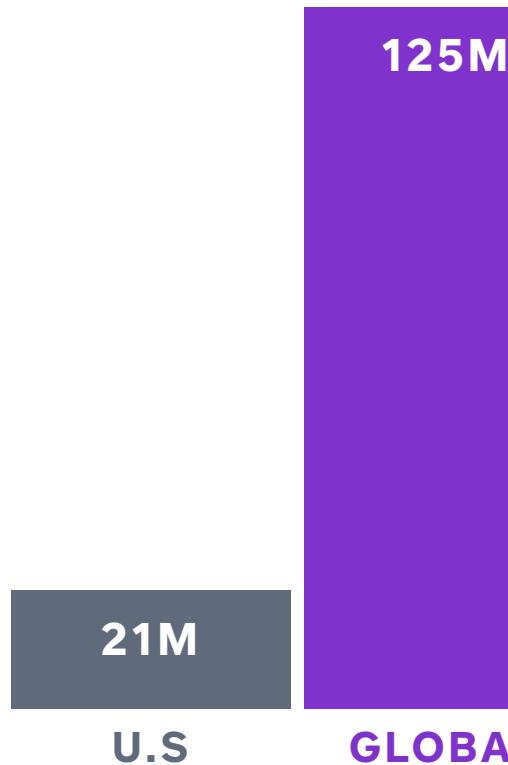
“Software” Opportunity is calculated by multiplying total employer firms producing less than \$100 million in annual gross receipts in select industry verticals based on 2012 U.S. Census data by our average monthly fee of our subscription products annualized multiplied by the total number of our subscription products as of December 31, 2017.

“Square Capital” Opportunity is calculated by multiplying the sum of FDIC’s \$217B of U.S. small business loans under \$250,000 outstanding as of December 31, 2017 and Oliver Wyman’s estimated \$80B of demand for small business new form lending lines of credit as of 2013, by the average of Goldman Sachs’ estimated revenue rate on small business loans of 4% to 6% as of 2015.

“Caviar” Opportunity is based on Morgan Stanley estimates of the food delivery market excluding pizza.

# The global opportunity is potentially >5x that in the U.S.

## SMALL AND MEDIUM-SIZED BUSINESSES



## CARD VOLUME



Sources: 2012 U.S. Census, International Finance Corporation (IFC), The Nilson Report.

U.S. small business is based on employer and non-employer firms with less than \$100 million in annual gross receipts in select industry verticals based on 2012 U.S. Census data. Small business count figures based on U.S. Census and International Finance Corporation (IFC) as of 2010. Global Card Volume represents 2026 projection based on The Nilson Report.

# Why Square wins: Unique assets, difficult to copy, and at scale

FOCUS ON TECHNOLOGY AND DESIGN	<b>Integrated, end-to-end:</b> hardware, software, payments, and data
BREADTH OF MANAGED PAYMENTS	Comprehensive, full-service offering that helps sellers <b>manage the entire payment life cycle</b>
DIFFERENTIATED RISK MANAGEMENT	<b>Transaction loss rate at ~0.1% of GPV</b> while maintaining <b>high acceptance rates</b>
OMNI-CHANNEL CAPABILITIES	Powerful solutions that enable sellers to <b>engage with buyers wherever they are</b>
OPEN PLATFORM	Flexible platform expands functionality that <b>benefits sellers, developers, partners, and Square</b>
STRONG BRAND	<b>Net promoter score over 70</b> , ~2x the average for banking service providers
BREADTH AND EFFICIENCY OF GO-TO-MARKET	<b>Self-serve onboarding</b> and ubiquitous and <b>scalable distribution channels</b>
PERSISTENT COMMUNICATION CHANNEL	<b>Direct, ongoing interactions</b> with sellers help us deliver offerings in the context of their usage

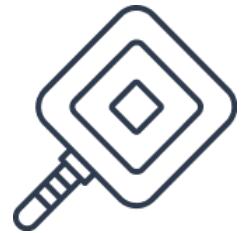
Transaction loss rate and Square Net Promoter Score (NPS) represented as a trailing four-quarter average ended March 31, 2018.  
Banking NPS calculated by Satmetrix Systems, Inc., a third-party research firm, as of 2014.

# Scalable go-to-market strategy...



## BRAND

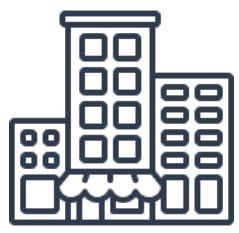
We lead with a **strong brand**. Our high NPS of over 70 means our sellers recommend our services to others.



## MARKETING

We also focus on **direct and scalable marketing channels**.

These include online display and search marketing, social media, direct mail, referral programs, television, direct sales, and others.



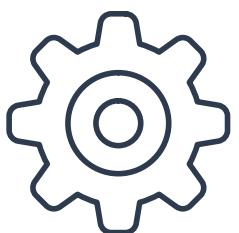
## RETAIL DISTRIBUTION

Square hardware products are available at over **30,000 retail stores**.



## PARTNERS

We work with **third-party developers** who offer our solutions to their customers.



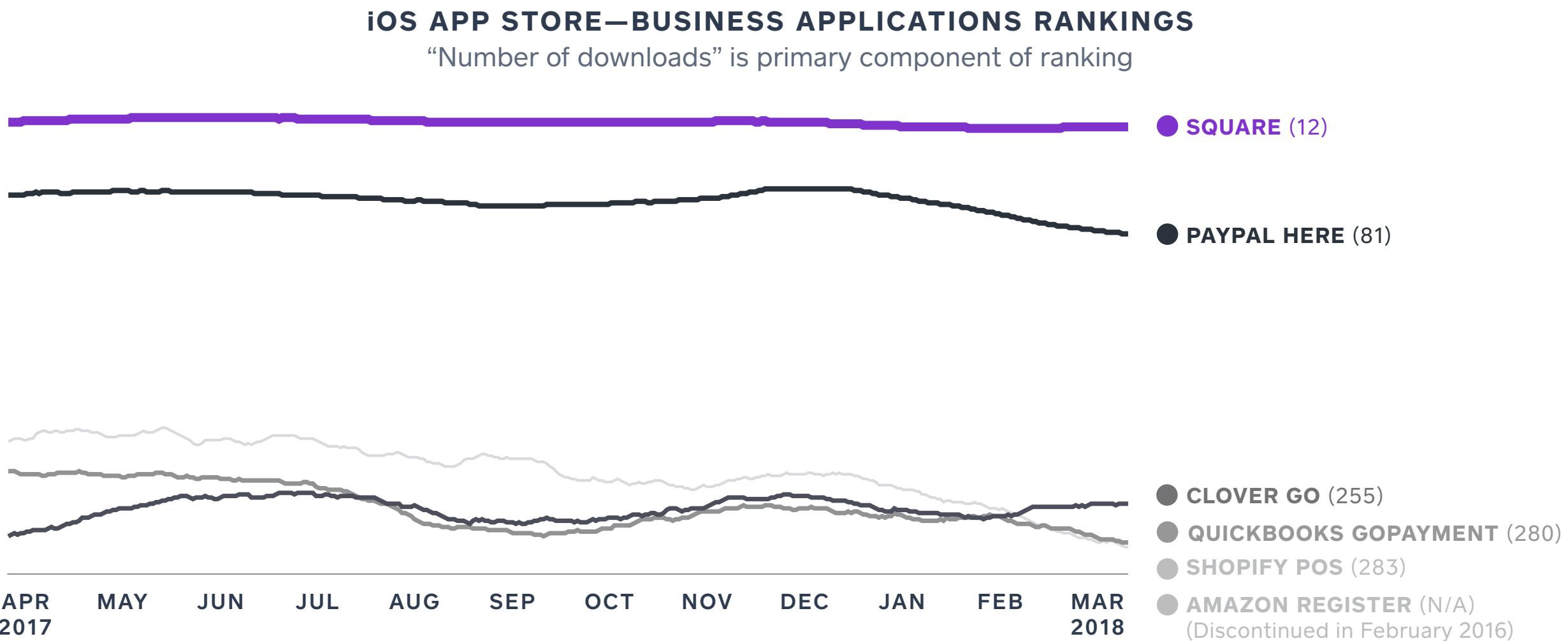
## RETENTION

We take a systematic approach to growth and retention marketing with **machine learning** as the underpinning engine.

Our **cross-sell strategies** resulted in ~300,000 product adoptions in 2017.

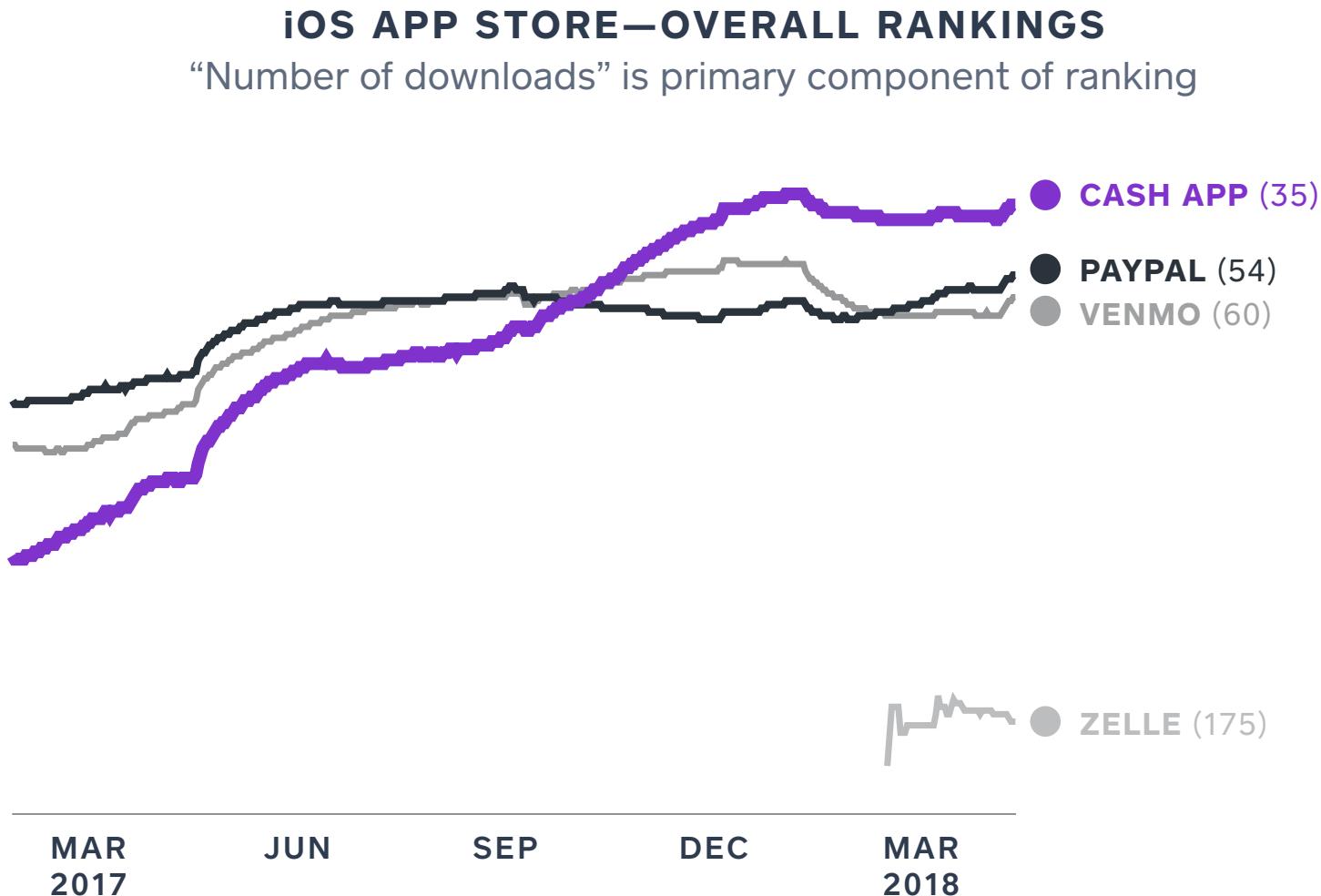
## ... resulting in consistent, leading market share

The Square app has consistently been in the top 15 for U.S. App Store ranking in iPhone Business Applications.



Source: AppFigures as of March 31, 2018. Rankings calculated on a 90-day trailing average basis.

# Strong growth in Cash App, underscoring its broad-based utility



Source: AppFigures as of March 31, 2018. Rankings calculated on a 90-day trailing average basis.

7M+  
MONTHLY ACTIVE  
CASH APP CUSTOMERS  
IN DEC 2017

\$1B+  
ANNUALIZED SPEND  
THROUGH CASH CARD  
AS OF DEC 2017

# A platform for developers to meet sellers' needs

## E-COMMERCE

Integrate Square on websites, enabling sellers to manage offline and online businesses.



WIX  
E-COMMERCE



MAGENTO  
E-COMMERCE

## THIRD-PARTY APPS

Integrate Square with third-party apps and back-office solutions that bring additional functionality.



QUICKBOOKS  
ACCOUNTING



TOUCHBISTRO  
POINT OF SALE



XERO  
ACCOUNTING



VEND  
POINT OF SALE

## IN-HOUSE

Integrate Square into a seller's specialized POS to accept payments and access other services.



HAMPTON JITNEY  
TRANSPORTATION



PHILZ COFFEE  
COFFEEHOUSE



WOOCOMMERCE  
E-COMMERCE



GODADDY  
E-COMMERCE



LASER AWAY  
HEALTH & BEAUTY



THE REALREAL  
LUXURY FASHION

# Our business model provides a compelling investment opportunity

## TREMENDOUS SCALE

**Millions** of active sellers, nearly **\$70 billion** trailing four quarter GPV

## SIGNIFICANT GROWTH

**51%** Adjusted Revenue year-over-year growth in Q1 2018

## ATTRACTIVE COHORT ECONOMICS

**Positive** Adjusted Revenue retention rate and **3-to-4 quarter payback**

## STRONG EBITDA GROWTH

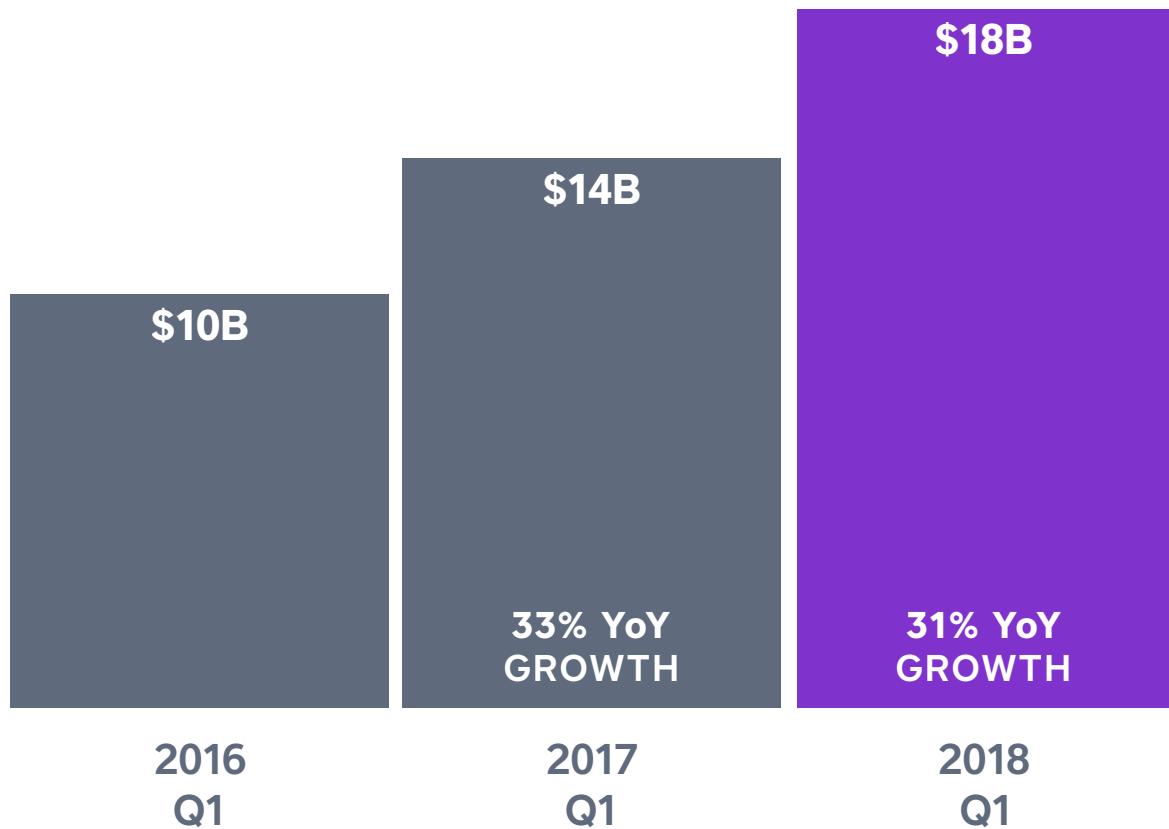
**\$36 million** in Adjusted EBITDA in Q1 2018, representing **12%** margin

Data points shown above are as of March 31, 2018. Active sellers defined as sellers with five or more payments in the last 12 months. See appendix for GAAP reconciliation to Adjusted Revenue and Adjusted EBITDA. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Adjusted Revenue. Payback period measures the effectiveness of sales and marketing spend. Payback period equals the number of quarters for a cohort's cumulative Adjusted Revenue (excluding hardware and Gift Card revenue) to surpass our sales and marketing expense in the quarter in which we acquired the cohort. This excludes both revenue and costs associated with Cash App. Revenue retention rate is calculated as the year-over-year Adjusted Revenue growth of a quarterly cohort, averaged over the last four quarters (excluding hardware and Gift Card revenue).

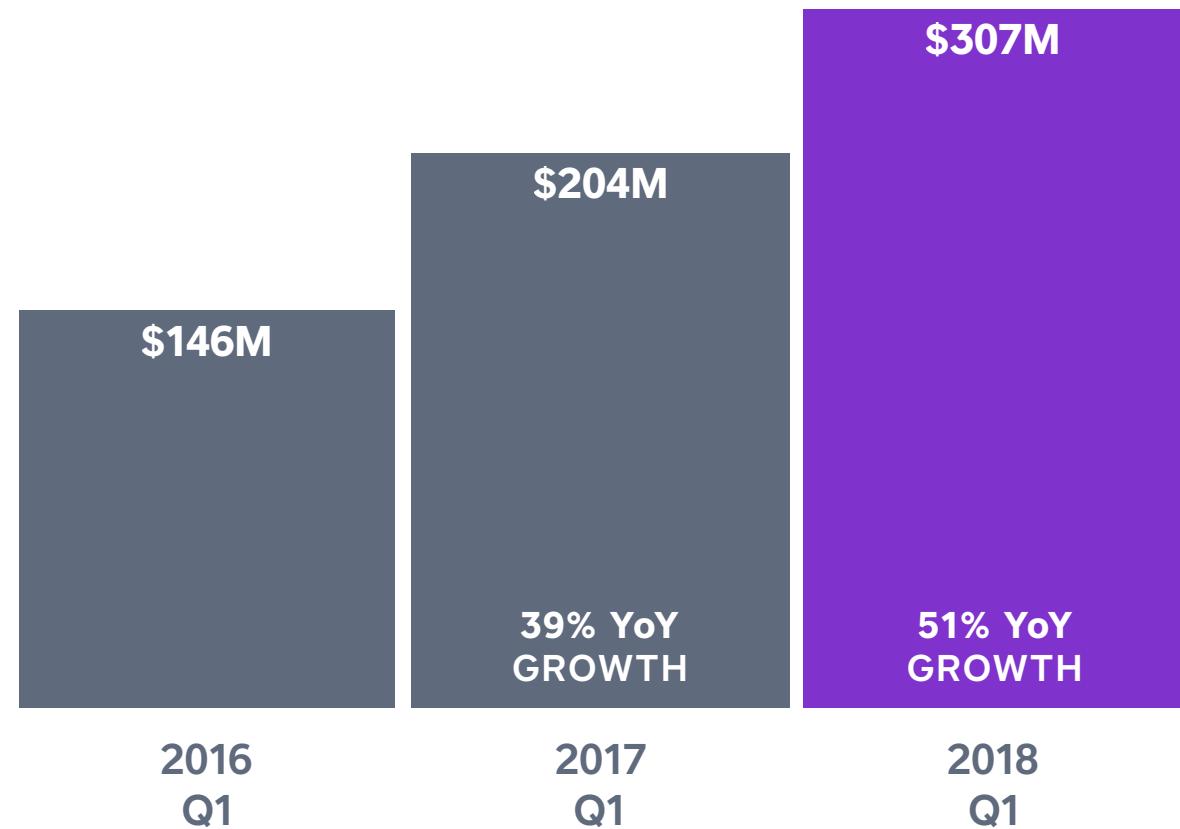
# Financial Overview

# Strong growth at scale

GROSS PAYMENT VOLUME (GPV)



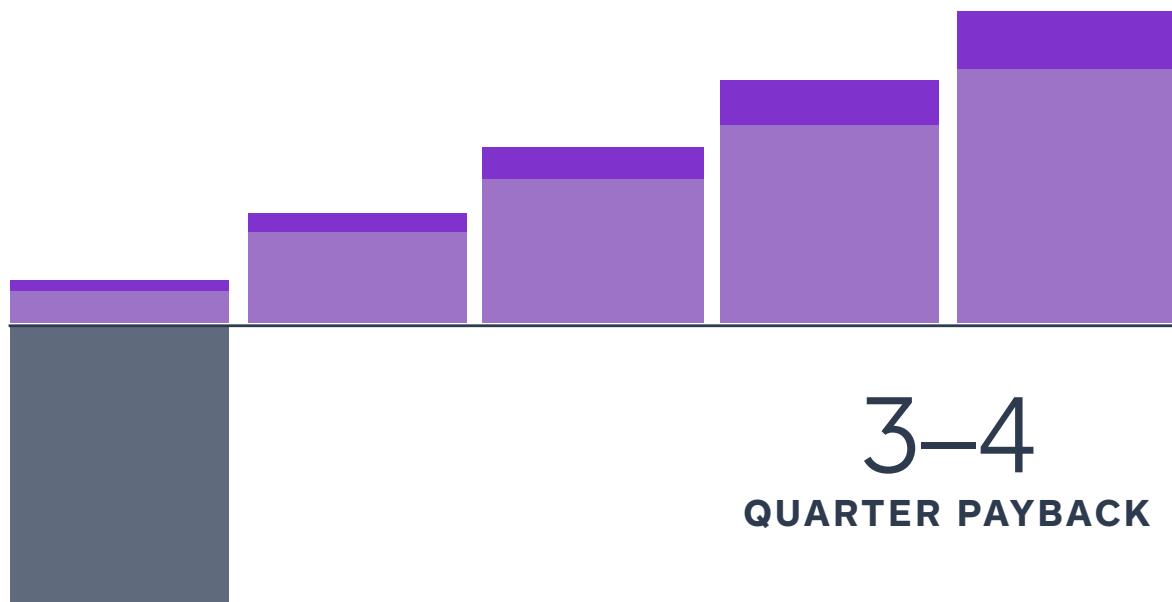
ADJUSTED REVENUE



A reconciliation of non-GAAP metrics used in this document to their nearest GAAP equivalents is provided in the appendix to this document.

# Attractive cohort economics highlights go-to-market efficiency

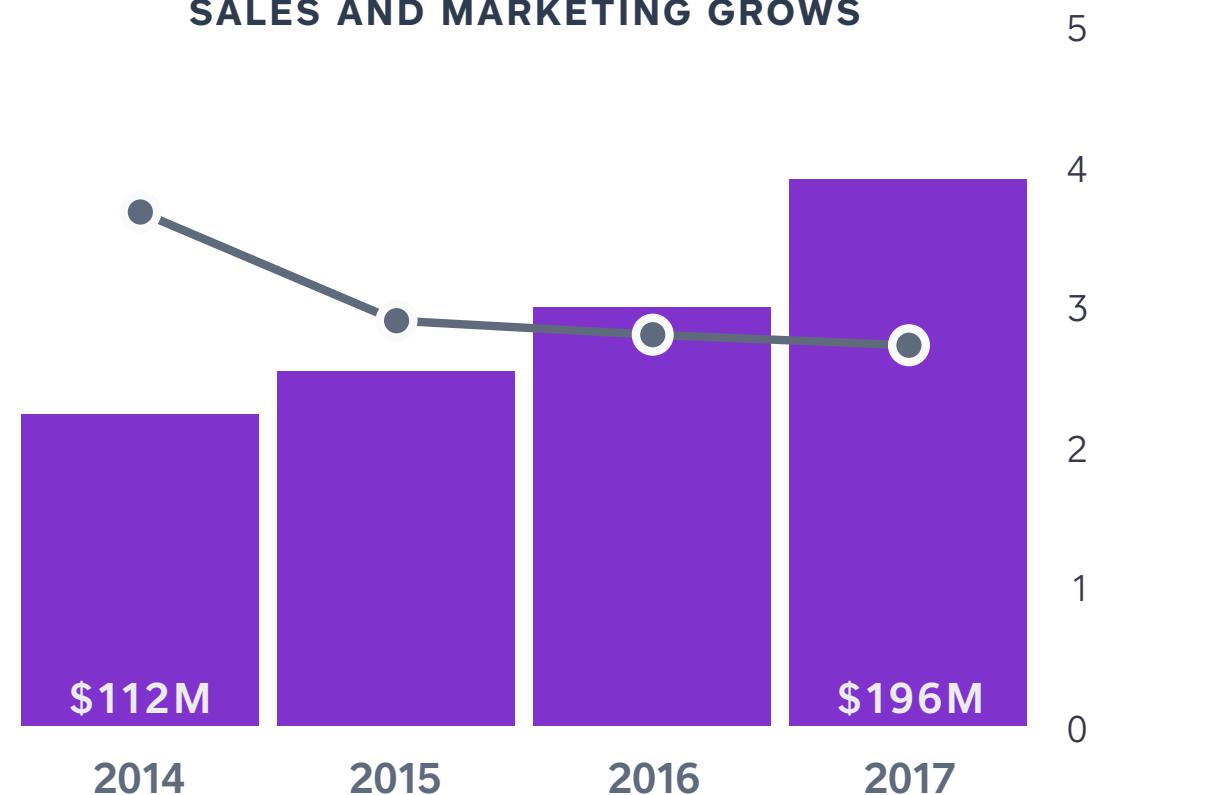
ILLUSTRATIVE COHORT WITH A THREE TO FOUR QUARTER PAYBACK PERIOD



Quarter 0    Quarter 1    Quarter 2    Quarter 3    Quarter 4

- CUMULATIVE SUBSCRIPTION AND SERVICES-BASED REVENUE
- CUMULATIVE COHORT TRANSACTION-BASED PROFIT
- SALES AND MARKETING EXPENSE

STABLE PAYBACK PERIOD EVEN AS SALES AND MARKETING GROWS



2014    2015    2016    2017

Payback Period  
(Quarters)

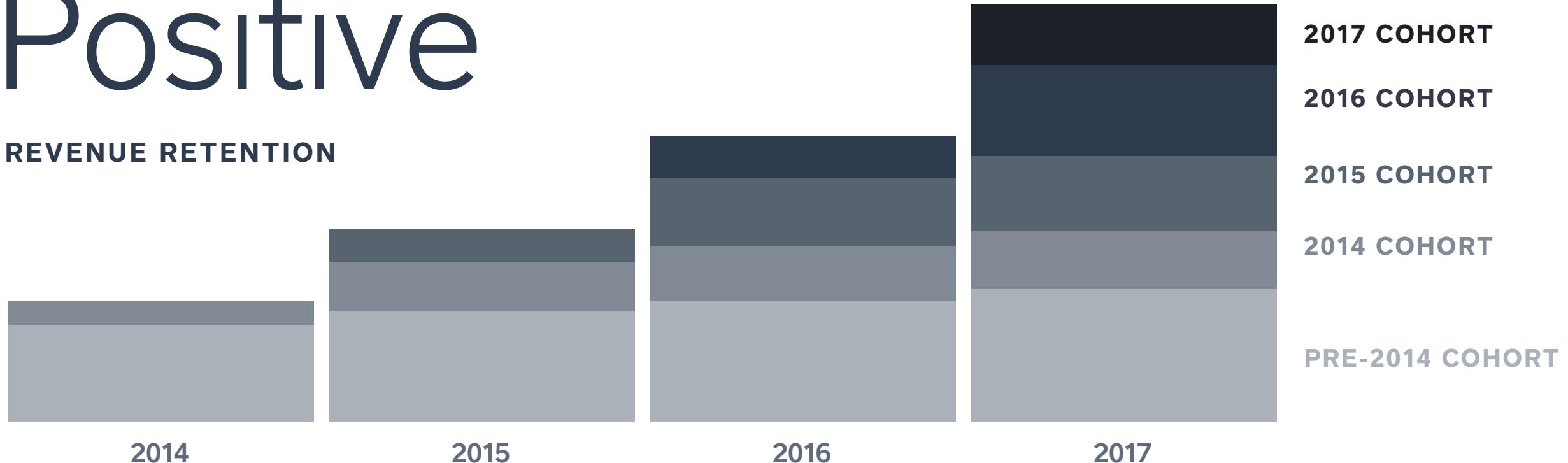
Sales and marketing shown above represents GAAP sales and marketing expenses, excluding Cash App marketing expenses. Payback period measures the effectiveness of sales and marketing spend. Payback period equals the number of quarters for a cohort's cumulative Adjusted Revenue (excluding hardware and Gift Card revenue) to surpass our sales and marketing expense in the quarter in which we acquired the cohort. This excludes both revenue and costs associated with Cash App. The 2017 payback period represents a trailing four-quarter average as of Q1 2017.

# Attractive cohort economics leads to strong visibility

Adjusted Revenue by Annual Cohort

# Positive

**REVENUE RETENTION**



Revenue retention rate is calculated as the year-over-year Adjusted Revenue growth of a quarterly cohort, averaged over the last four quarters (excluding hardware and Gift Card revenue).

# Bringing our solutions to larger sellers

CONSISTENT TAKE RATES AND PROFIT MARGINS...

... EVEN AS DEMAND DRIVES MIX TOWARDS LARGER SELLERS

TRANSACTION-BASED REVENUE



TRANSACTION-BASED PROFIT



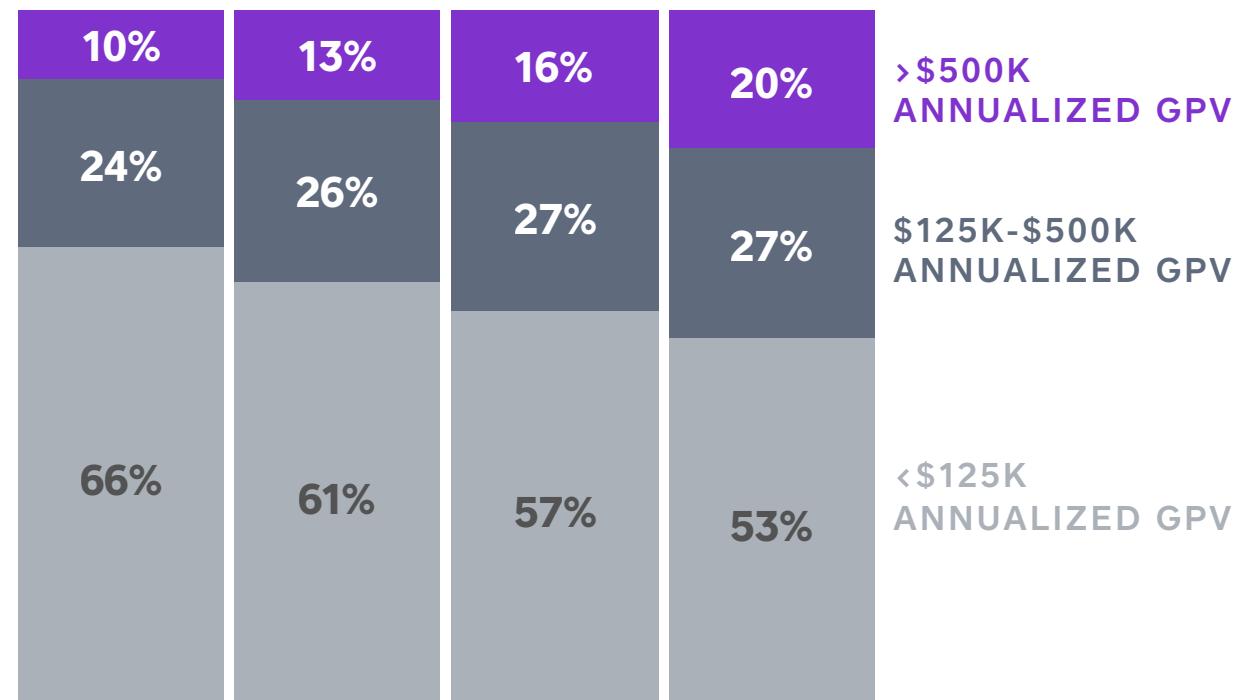
2015  
Q1

2016  
Q1

2017  
Q1

2018  
Q1

PERCENTAGE OF GPV



2015  
Q1

2016  
Q1

2017  
Q1

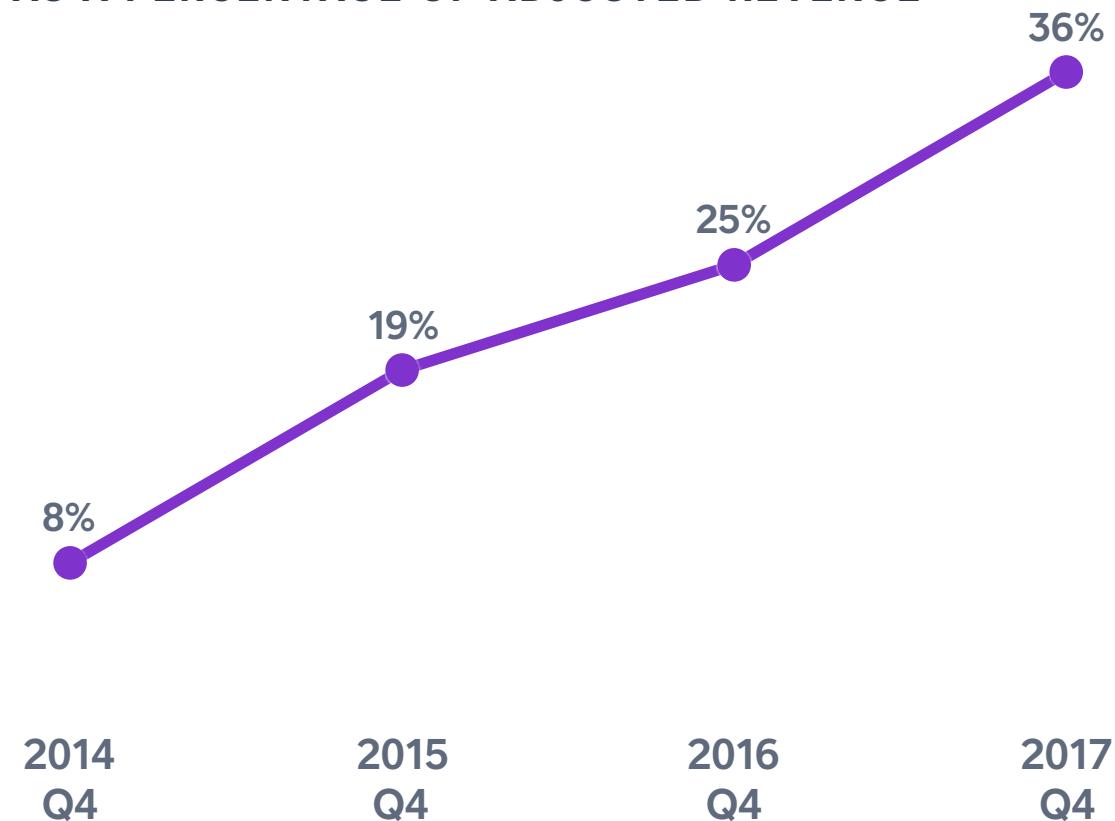
2018  
Q1

GPV MIX BY SELLER SIZE

Transaction-based revenue as a percentage of GPV in the first quarter of 2017 would have been 2.94% when excluding unused promotional processing credits associated with the contactless and chip reader. We had provided sellers with promotional processing credits for pre-orders of our contactless and chip reader at launch.

## Driving meaningful vectors of growth with our more recent products

PRODUCTS LAUNCHED SINCE 2014  
AS A PERCENTAGE OF ADJUSTED REVENUE



\$2B

INSTANT DEPOSIT VOLUME  
IN Q3 2017

>50%

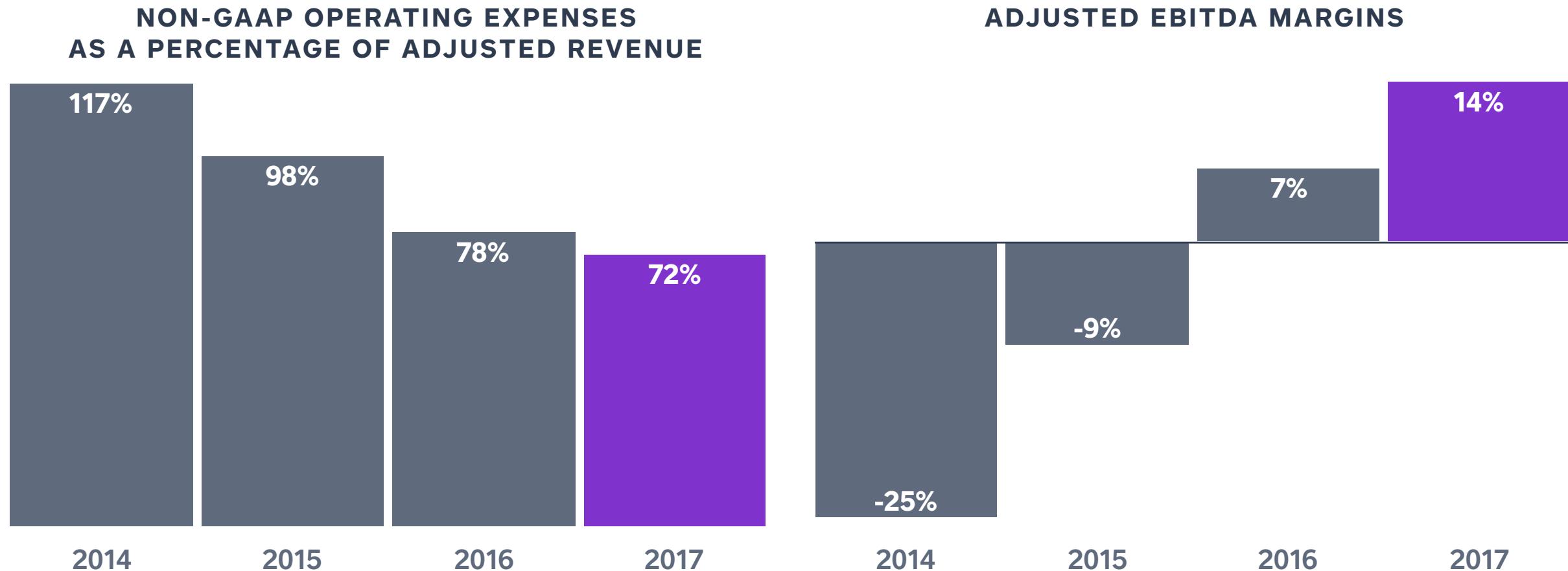
OF LARGER SELLERS ARE  
USING MULTIPLE SQUARE  
PRODUCTS

\$1.3B

APPROXIMATE SQUARE  
CAPITAL VOLUME OVER  
THE PAST FOUR QUARTERS

"Products launched since 2014" excludes hardware revenue. An active Cash App customer has at least one cash inflow or outflow during a defined time period.

# Investing in growth while benefiting from operating leverage



A reconciliation of non-GAAP metrics used in this document to their nearest GAAP equivalents is provided in the appendix to this document.  
Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Adjusted Revenue.

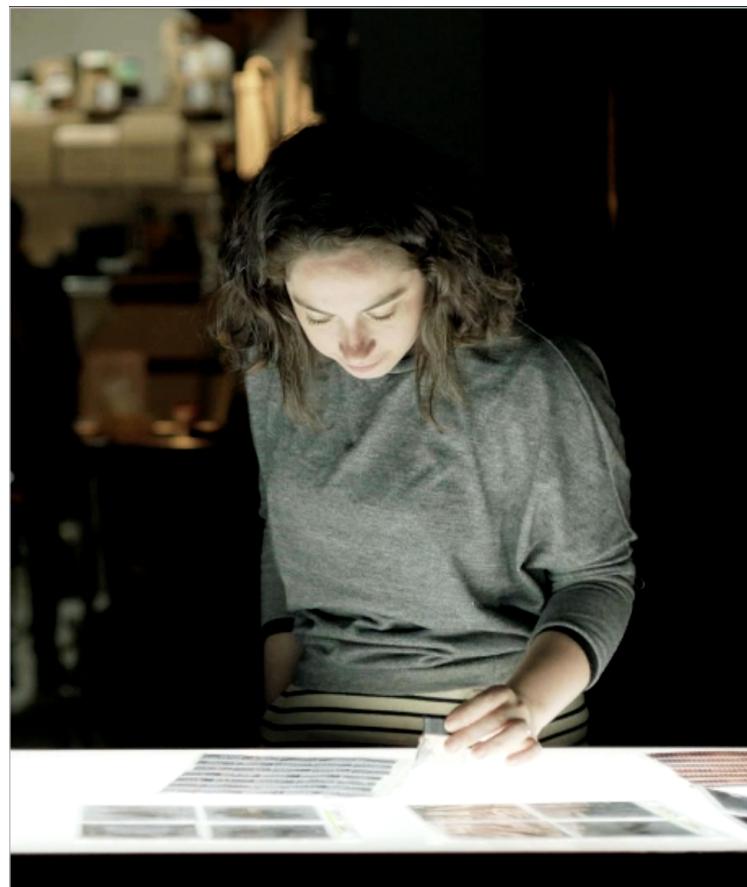
# Seller Case Studies



**RIFLE PAPER CO.**  
WINTER PARK, FLORIDA

Square enables Rifle Paper Co. to easily manage its multichannel retail business through one platform as it continues to grow.

Rifle Paper Co. uses Build with Square, Square for Retail, and Analytics.



**BUSHWICK COMMUNITY DARKROOM**  
BROOKLYN, NEW YORK

Lucia has moved her darkroom twice to accommodate the strong growth, and Square Capital helped her expand the space by 50%.

Bushwick Community Darkroom uses Square Capital, Square Payroll, and Analytics.



**RUSTICA**  
MINNEAPOLIS, MN

Rustica Bakery has been using Square managed payments and Point of Sale for five years and now pays its employees with Square Payroll across its three locations.

Rustica Bakery uses our contactless and chip reader, Square Stand, Square Payroll, and the Quickbooks API integration.



**[square.com/investors](https://square.com/investors)**

# Appendix

## GAAP RECONCILIATION

# Adjusted Revenue—Reconciliation to GAAP Total Net Revenue

Adjusted Revenue is a non-GAAP financial measure that reflects our total net revenue less transaction-based costs and less bitcoin costs, adjusted to eliminate the effect of activity with Starbucks.

During the fourth quarter of 2016, Starbucks completed its transition to another payments solutions provider and has ceased using our payments solutions altogether, and we believe that providing Adjusted Revenue metrics that exclude the impact of our agreement with Starbucks is useful to investors. We also believe it is useful to subtract transaction-based costs and bitcoin costs from total net revenue to derive Adjusted Revenue as this is a primary metric used by management to measure our business performance and it affords greater comparability to other payment solution providers.

Adjusted Revenue has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. The following table presents a reconciliation of total net revenue to Adjusted Revenue for each of the periods indicated:

	Three Months Ended								
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
(in thousands) (unaudited)									
<b>TOTAL NET REVENUE</b>	<b>\$379,269</b>	<b>\$438,533</b>	<b>\$439,002</b>	<b>\$451,917</b>	<b>\$461,554</b>	<b>\$551,505</b>	<b>\$585,159</b>	<b>\$616,035</b>	<b>\$668,603</b>
LESS: STARBUCKS TRANSACTION-BASED REVENUE	38,838	32,867	7,164	34	—	—	—	—	—
LESS: TRANSACTION-BASED COSTS	194,276	234,857	254,061	260,006	257,778	311,092	328,043	333,377	327,911
LESS: BITCOIN COSTS	—	—	—	—	—	—	—	—	33,872
<b>ADJUSTED REVENUE</b>	<b>\$146,155</b>	<b>\$170,809</b>	<b>\$177,777</b>	<b>\$191,877</b>	<b>\$203,776</b>	<b>\$240,413</b>	<b>\$257,116</b>	<b>\$282,658</b>	<b>\$306,820</b>

# Adjusted EBITDA—Reconciliation to GAAP Net Loss

Adjusted EBITDA is a non-GAAP financial measure that represents our net loss, adjusted to eliminate the effect of Starbucks transaction-based revenue and Starbucks transaction-based costs, before interest income and expense, provision or benefit for income taxes, depreciation, amortization, share-based compensation expense, other income and expense, the litigation settlement with Robert E. Morley, the gain or loss on the sale of property and equipment, and impairment of intangible assets. We have included Adjusted EBITDA in this document because it is a key measure used by our management to evaluate our operating performance, generate future operating plans, and make strategic decisions, including those relating to operating expenses and the allocation of internal resources. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. In addition, it provides a useful measure for period-to-period comparisons of our business, as it removes the effect of certain non-cash items and certain variable charges.

Adjusted EBITDA has limitations as a financial measure, and should be considered as supplemental in nature to, and is not meant as a substitute for, the related financial information prepared in accordance with GAAP. The following presents a reconciliation of net loss to Adjusted EBITDA for each of the periods indicated.

	Three Months Ended								
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
	(in thousands) (unaudited)								
<b>NET LOSS</b>	<b>(\$96,755)</b>	<b>(\$27,345)</b>	<b>(\$32,323)</b>	<b>(\$15,167)</b>	<b>(\$15,090)</b>	<b>(\$15,962)</b>	<b>(\$16,098)</b>	<b>(\$15,663)</b>	<b>(\$23,986)</b>
STARBUCKS TRANSACTION-BASED REVENUE	(38,838)	(32,867)	(7,164)	(34)	—	—	—	—	—
STARBUCKS TRANSACTION-BASED COSTS	36,610	28,672	4,528	(49)	—	—	—	—	—
SHARE-BASED COMPENSATION EXPENSE	31,198	36,922	36,779	33,887	31,670	39,593	40,048	44,525	46,824
DEPRECIATION AND AMORTIZATION	9,118	9,018	9,681	9,928	9,437	9,125	9,085	9,632	10,160
LITIGATION SETTLEMENT EXPENSE	50,000	(2,000)	—	—	—	—	—	—	—
INTEREST AND OTHER (INCOME) AND EXPENSE	(717)	(327)	111	153	499	3,266	1,854	2,839	2,819
PROVISION (BENEFIT) FOR INCOME TAXES	339	312	230	1,036	509	472	(647)	(185)	175
LOSS (GAIN) ON SALE OF PROPERTY AND EQUIPMENT	(38)	169	(219)	39	—	2	62	36	(98)
<b>ADJUSTED EBITDA</b>	<b>(\$9,083)</b>	<b>\$12,554</b>	<b>\$11,623</b>	<b>\$29,793</b>	<b>\$27,025</b>	<b>\$36,496</b>	<b>\$34,304</b>	<b>\$41,184</b>	<b>\$35,894</b>

# Non-GAAP Operating Expenses—Reconciliation to GAAP

	Three Months Ended								
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016	Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017	Mar 31, 2018
	(in thousands) (unaudited)								
<b>OPERATING EXPENSES</b>	<b>(\$207,373)</b>	<b>(\$176,319)</b>	<b>(\$182,296)</b>	<b>(\$180,503)</b>	<b>(\$187,513)</b>	<b>(\$219,653)</b>	<b>(\$233,507)</b>	<b>(\$252,839)</b>	<b>(\$276,162)</b>
SHARE-BASED COMPENSATION	31,198	36,922	36,779	33,887	31,670	39,575	40,019	44,495	46,793
DEPRECIATION AND AMORTIZATION	6,189	6,573	7,230	7,544	7,531	7,400	7,498	8,115	8,580
LITIGATION SETTLEMENT EXPENSE	50,000	(2,000)	—	—	—	—	—	—	—
<u>LOSS (GAIN) ON SALE OF PROPERTY AND EQUIPMENT</u>	<u>(38)</u>	<u>169</u>	<u>(219)</u>	<u>39</u>	<u>—</u>	<u>2</u>	<u>62</u>	<u>36</u>	<u>(98)</u>
<b>NON-GAAP OPERATING EXPENSES</b>	<b>(\$120,024)</b>	<b>(\$134,655)</b>	<b>(\$138,506)</b>	<b>(\$139,033)</b>	<b>(\$148,312)</b>	<b>(\$172,676)</b>	<b>(\$185,928)</b>	<b>(\$200,193)</b>	<b>(\$220,887)</b>
<b>PRODUCT DEVELOPMENT</b>	<b>(\$64,592)</b>	<b>(\$68,638)</b>	<b>(\$70,418)</b>	<b>(\$64,889)</b>	<b>(\$68,582)</b>	<b>(\$78,126)</b>	<b>(\$82,547)</b>	<b>(\$92,633)</b>	<b>(\$105,095)</b>
SHARE-BASED COMPENSATION	21,947	24,168	23,949	21,340	19,356	25,136	25,254	28,564	30,482
DEPRECIATION AND AMORTIZATION	3,141	3,128	3,282	3,639	3,712	3,436	4,586	5,221	5,473
<u>LOSS (GAIN) ON SALE OF PROPERTY AND EQUIPMENT</u>	<u>—</u>	<u>169</u>	<u>(169)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>NON-GAAP PRODUCT DEVELOPMENT</b>	<b>(\$39,504)</b>	<b>(\$41,173)</b>	<b>(\$43,356)</b>	<b>(\$39,910)</b>	<b>(\$45,514)</b>	<b>(\$49,554)</b>	<b>(\$52,707)</b>	<b>(\$58,848)</b>	<b>(\$69,140)</b>
<b>SALES AND MARKETING</b>	<b>(\$38,496)</b>	<b>(\$39,220)</b>	<b>(\$46,754)</b>	<b>(\$49,406)</b>	<b>(\$49,900)</b>	<b>(\$59,916)</b>	<b>(\$66,533)</b>	<b>(\$76,821)</b>	<b>(\$77,266)</b>
SHARE-BASED COMPENSATION	2,903	3,363	3,697	4,159	3,935	4,355	4,579	4,699	4,961
DEPRECIATION AND AMORTIZATION	2	6	5	17	77	98	650	590	609
<u>LOSS (GAIN) ON SALE OF PROPERTY AND EQUIPMENT</u>	<u>18</u>	<u>—</u>	<u>14</u>	<u>41</u>	<u>58</u>	<u>2</u>	<u>62</u>	<u>36</u>	<u>4</u>
<b>NON-GAAP SALES AND MARKETING</b>	<b>(\$35,573)</b>	<b>(\$35,851)</b>	<b>(\$43,038)</b>	<b>(\$45,189)</b>	<b>(\$45,830)</b>	<b>(\$55,461)</b>	<b>(\$61,242)</b>	<b>(\$71,496)</b>	<b>(\$71,692)</b>
<b>GENERAL AND ADMINISTRATIVE</b>	<b>(\$96,107)</b>	<b>(\$50,784)</b>	<b>(\$52,075)</b>	<b>(\$53,027)</b>	<b>(\$56,935)</b>	<b>(\$62,988)</b>	<b>(\$64,312)</b>	<b>(\$66,318)</b>	<b>(\$75,501)</b>
SHARE-BASED COMPENSATION	6,348	9,391	9,133	8,388	8,379	10,084	10,186	11,232	11,350
DEPRECIATION AND AMORTIZATION	2,729	3,217	3,779	3,741	3,537	3,644	2,040	2,070	2,229
LITIGATION SETTLEMENT EXPENSE	50,000	(2,000)	—	—	—	—	—	—	—
<u>LOSS (GAIN) ON SALE OF PROPERTY AND EQUIPMENT</u>	<u>(56)</u>	<u>—</u>	<u>(64)</u>	<u>(2)</u>	<u>(58)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(102)</u>
<b>NON-GAAP GENERAL AND ADMINISTRATIVE</b>	<b>(\$37,086)</b>	<b>(\$40,176)</b>	<b>(\$39,227)</b>	<b>(\$40,900)</b>	<b>(\$45,077)</b>	<b>(\$49,260)</b>	<b>(\$52,086)</b>	<b>(\$53,016)</b>	<b>(\$62,024)</b>