

realize any future gains on their investment. Investors seeking cash dividends should not purchase shares of our common stock.

***Additional stock issuances could result in significant dilution to our stockholders.***

We may issue additional equity securities to raise capital, make acquisitions, or for a variety of other purposes. Additional issuances of our stock may be made pursuant to the exercise or conversion of new or existing convertible debt securities, warrants, stock options, or other equity incentive awards to new and existing service providers. Any such issuances will result in dilution to existing holders of our stock. We rely on equity-based compensation as an important tool in recruiting and retaining employees. The amount of dilution due to equity-based compensation of our employees and other additional issuances could be substantial.

***As an emerging growth company within the meaning of the Securities Act, we will utilize certain modified disclosure requirements, and we cannot be certain whether these reduced requirements will make our Class A common stock less attractive to investors.***

We are an emerging growth company, and for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to "emerging growth companies." These exemptions include reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, an exemption from the requirement that our independent registered public accounting firm audit our internal control over financial reporting under Section 404 of the Sarbanes-Oxley Act, and exemptions from the requirements to hold a nonbinding advisory vote on executive compensation and to provide stockholders the opportunity to vote on any golden parachute payments not previously approved. We have in this prospectus utilized, and we plan in future filings with the SEC to continue to utilize, the modified disclosure requirements available to emerging growth companies. As a result, our stockholders may not have access to certain information they may deem important.

Under the JOBS Act, we will remain an "emerging growth company" until the earliest of (i) the last day of the first fiscal year in which our total annual revenue reaches or exceeds \$1.0 billion; (ii) the date that we become a "large accelerated filer" as defined in the Exchange Act, which could occur as early as January 1, 2017; (iii) the date on which we have issued more than \$1.0 billion in non-convertible debt securities during the preceding three-year period; or (iv) the last day of the first fiscal year following the fifth anniversary of the completion of this offering.

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**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains forward-looking statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including expectations regarding our net revenue, cost of revenue, gross profit or gross margin, operating expenses, ability to generate cash flow, and ability to achieve, and maintain, future profitability;
- our ability to anticipate market needs and develop and introduce new and enhanced products and service functionality to adapt to changes in our industry;
- our anticipated growth and growth strategies and our ability to effectively manage that growth;
- the impact of increased competition in our market, innovation by our competitors, and our ability to compete effectively;
- our ability to successfully enter new markets and manage our international expansion;
- our ability to further penetrate our existing seller base to grow our end-to-end commerce ecosystem;
- our plans for funding Square Capital;
- our expectations concerning relationships with third parties, including Starbucks;
- our ability to successfully hire and retain qualified employees and key personnel;