



Leading the **future of commerce**

October 27, 2022



Safe harbor

This presentation contains forward-looking statements that are based on our management's current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results expressed or implied by these forward-looking statements. Although the forward-looking statements contained in this presentation are based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on these statements since actual results may vary from the forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect our results. These risks include the risks due to the uncertainty around the duration and scope of the COVID-19 pandemic and the impact of the pandemic and actions taken in response on global and regional economies and economic activity and are described in further detail in our Management's Discussion and Analysis for the year ended December 31, 2021 and in the section entitled "Risk Factors" in our Annual Information Form for the year ended December 31, 2021 available on www.sec.gov and on www.sedar.com and elsewhere in our filings with regulatory agencies. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from those expressed, implied or projected by the forward-looking statements. References to long-term trends in our model are forward-looking and made as of the current date. Nothing in this presentation should be regarded as a representation by any person that these long-term trends will be achieved and we undertake no duty to update these long-term trends or any other forward-looking statements contained in this presentation, except as required by law.

We believe that the case studies presented in this presentation provide a representative sample of how our merchants have been able to use various features of our platform to grow their respective businesses. References in this presentation to increased visits, growth and sales following implementation of our platform do not necessarily mean that our platform was the only factor contributing to such increases.

To supplement the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use non-GAAP financial measures that exclude certain items. Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Please refer to the slides titled "Non-GAAP Financial Measures" and "Reconciliation of GAAP to Non-GAAP Figures" for further information.

This presentation contains information concerning our industry, including information relating to the size of the markets in which we participate, that are based on industry surveys and publications or other publicly available information, other third-party survey data and research reports. This information involves many assumptions and limitations, there can be no guarantee as to the accuracy or reliability of such assumptions and you are cautioned not to give undue weight to this information. While we believe this information to be reliable, it has not been independently verified.

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October 2022

SHOPIFY IN 2022



Millions

of Merchants



\$5.3B

Revenue
(12 months ended
September 30, 2022)



10,000+

Employees
(December 31, 2021)



Merchants in

+175 Countries



~\$590B

All-time GMV by merchants
on Shopify (September 30, 2022)



~10%

US ecommerce market share*
and expect further penetration



~600M

Online shoppers purchasing
from Shopify merchants in 2021



40,000+

Partners who have referred at least one merchant to
Shopify in the last 12 months (December 31, 2021)



8,000+

Apps in our App Store (December 31, 2021)



\$411M

Paid out in 2021 to partners by Shopify for
apps benefiting our merchants



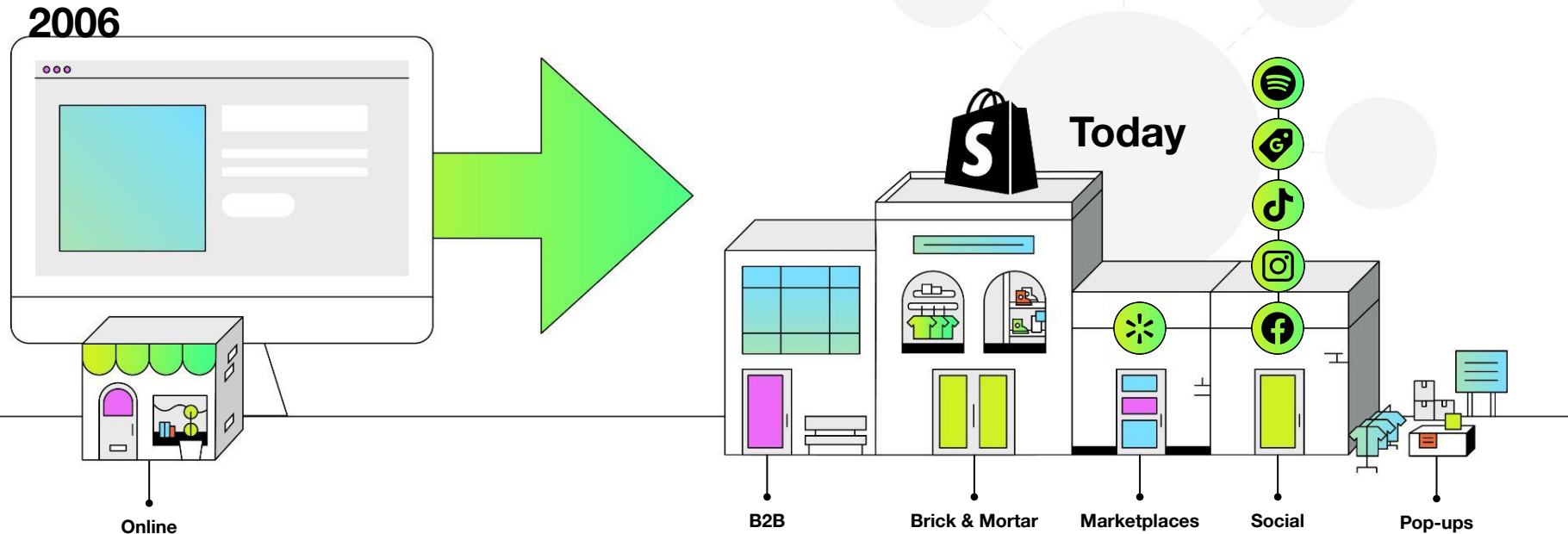
*Source: eMarketer, October 2021

Shopify market share based on Shopify's 2021 US GMV (excluding merchant sales made through POS)

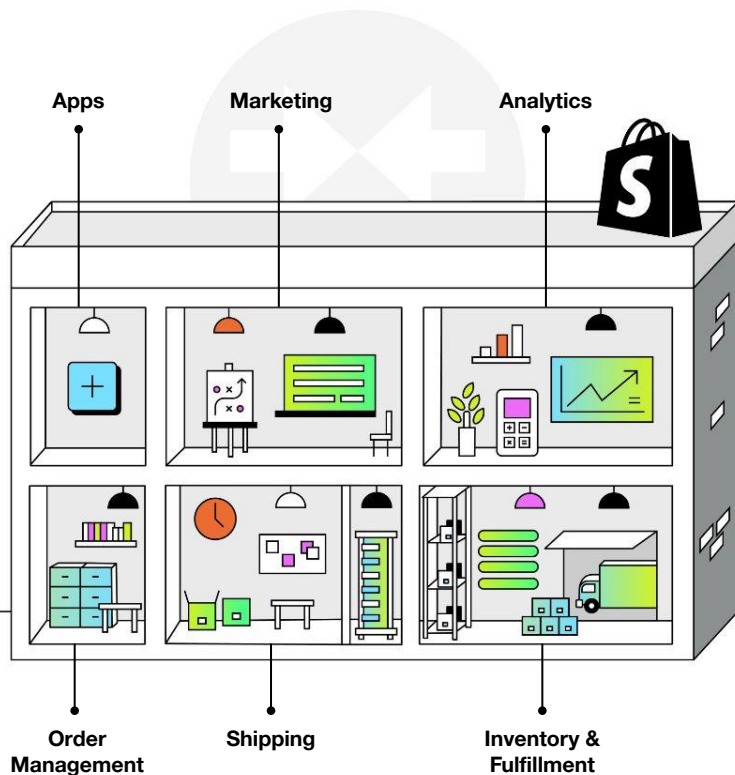
We've been focused on becoming
the **retail operating system** for
our merchants since 2006

We started online and **built a commerce platform** that helps merchants sell everywhere their customers are

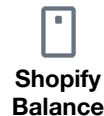
Merchants of **all sizes** come to Shopify to run their business



We continue to expand Shopify's breadth to make it even easier for merchants to start and scale their business



Run & manage your business end to end:
Financial solutions



Reduce operational complexity of supply chain:
Supply chain solutions

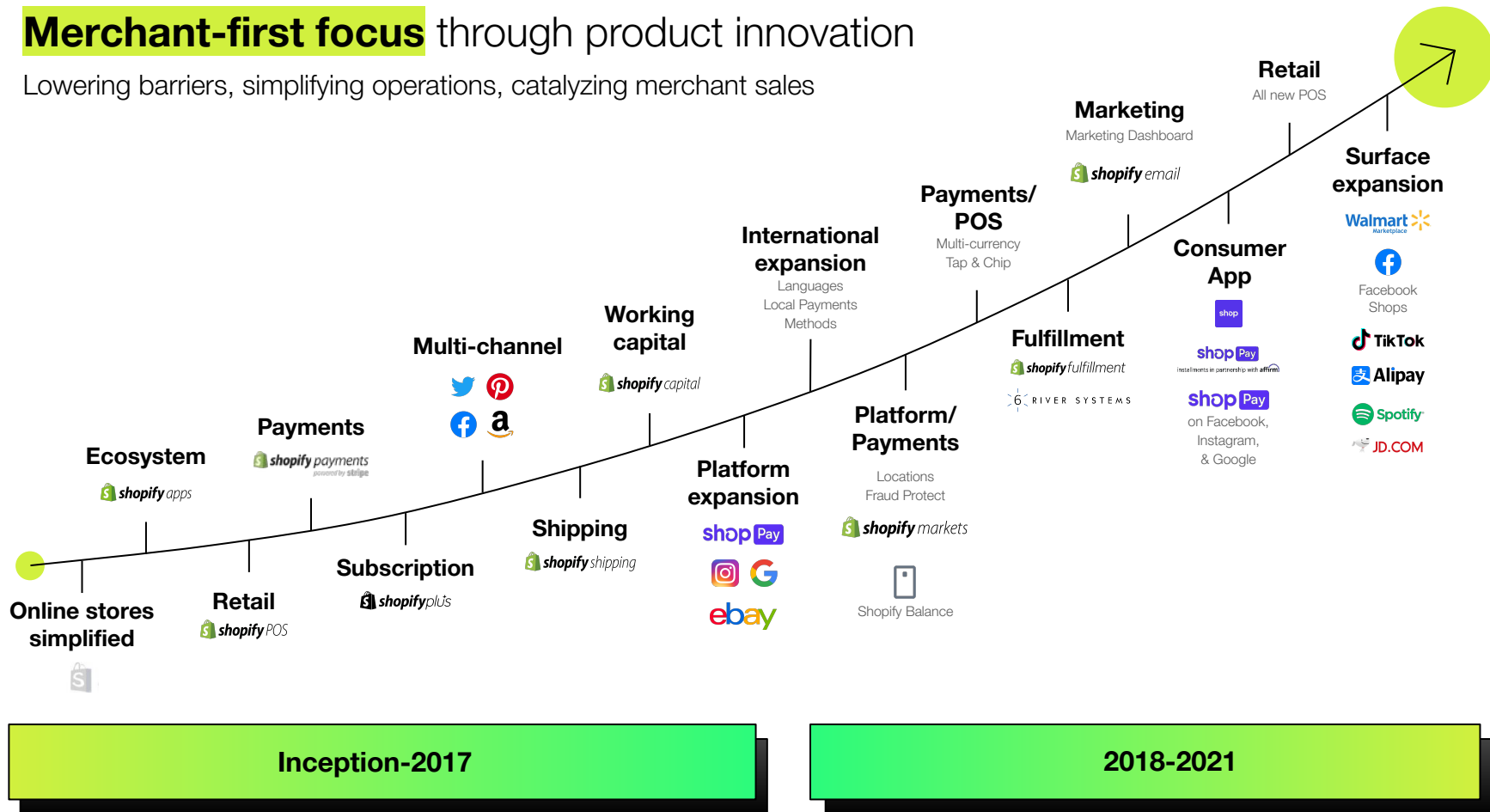


Reach new buyers/traffic efficiently:
Adtech solutions

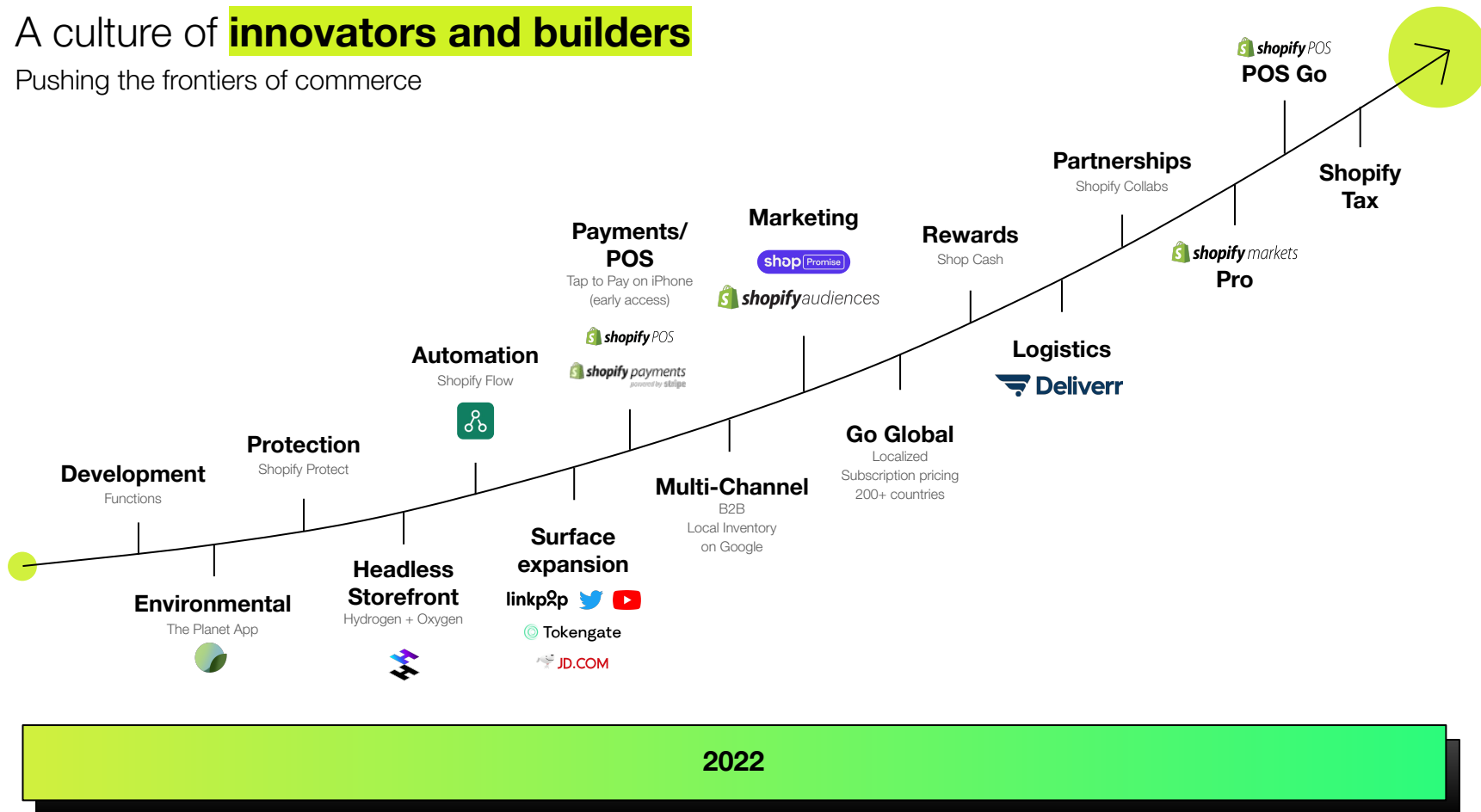


Merchant-first focus through product innovation

Lowering barriers, simplifying operations, catalyzing merchant sales



Pushing the frontiers of commerce



Spotlight on one of our most exciting **new merchant solutions:**

 **shopify** fulfillment network

Ship products from overseas manufacturers to US ports

Manufacturer

Freight

PORT



flexport.

- Materials
- Manufacturing
- Product assembly
- Overseas transport
- Receiving and assessment

Products move smoothly in network or across channels

Distribution hubs

Fulfillment centers



Shopify partner warehouses

+

Deliverr

6 RIVER SYSTEMS

- Cross-docking and prep
- D2C, wholesale, retail, marketplaces
- Sorting facilities and inventory balancing
- Last mile delivery and returns processing

B2B

FBA

DM DISTRIBUTION MANAGEMENT

its

Fulfill and deliver orders in two days or less

Customers

PORCH



Fulfilled
Delivery Method
Local Delivery
Delivered



shop Promise

- Two-day delivery promise + easy returns
- Online stores, social and marketplaces

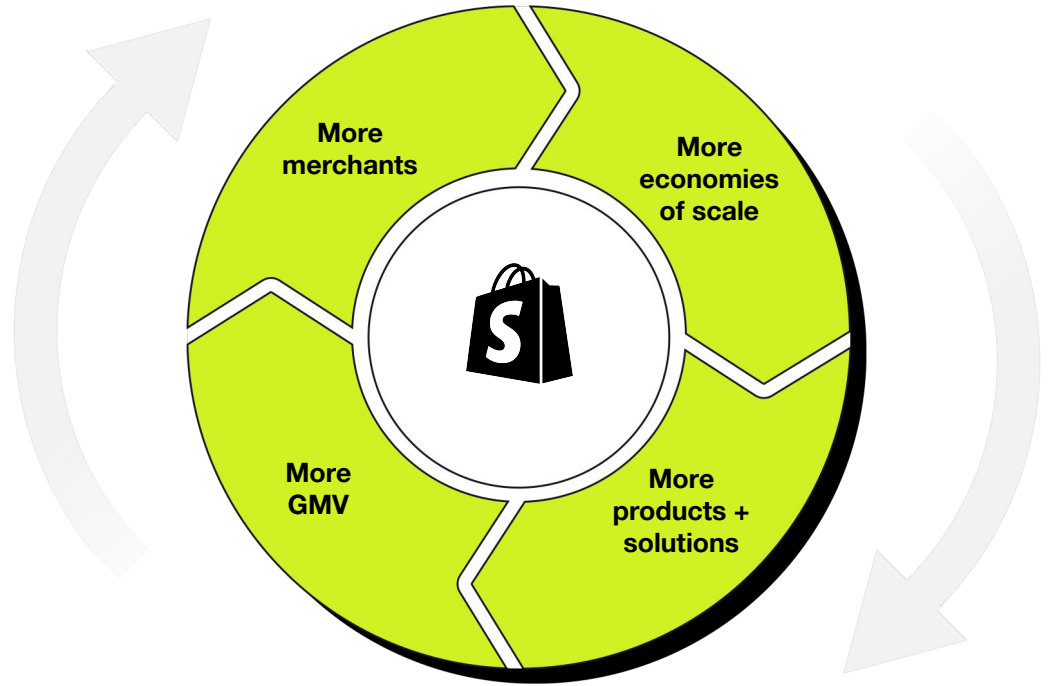


We solve the **biggest challenges** in commerce

We arm merchants with business critical tools to navigate a rapidly evolving landscape



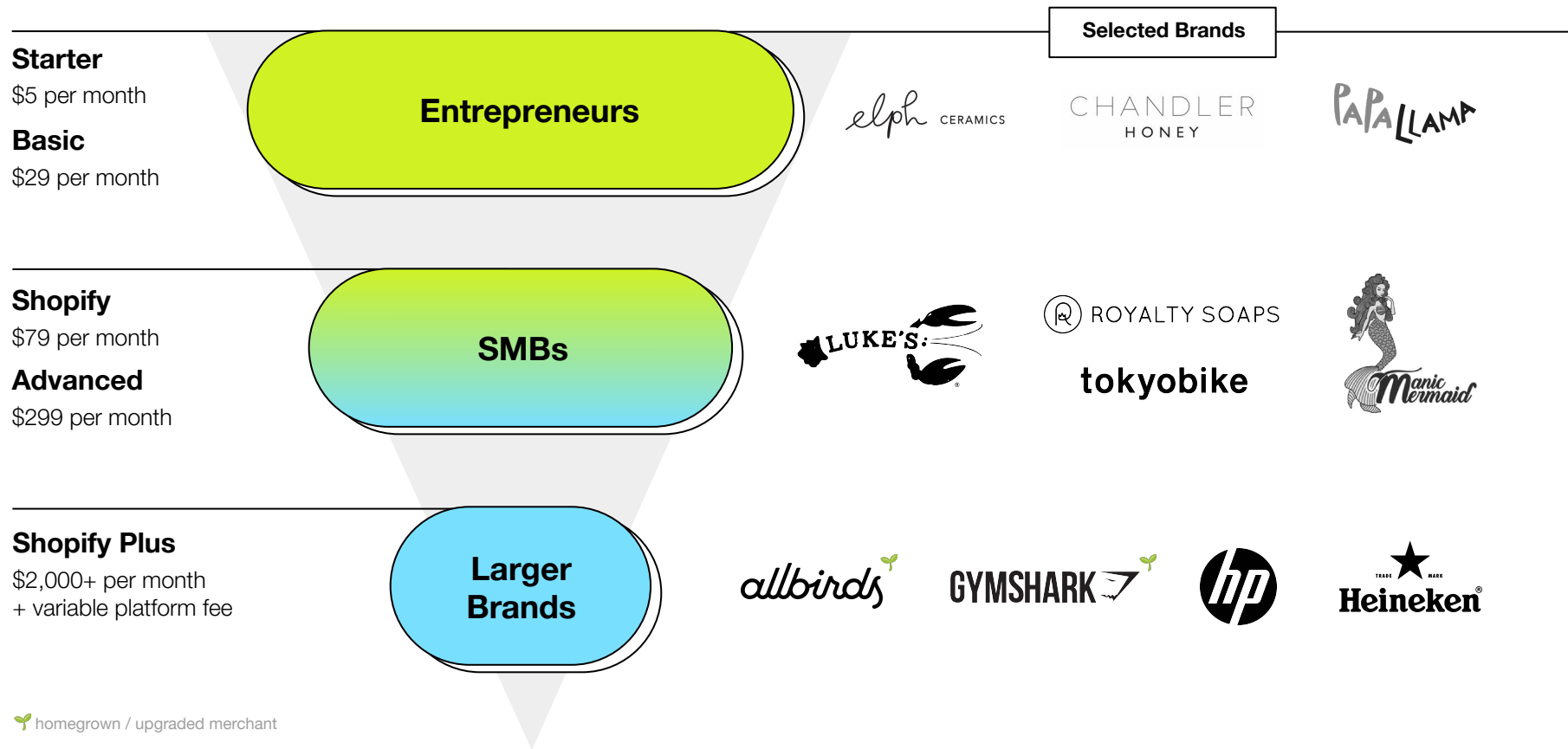
Shopify flywheel
propels our success
and business model
into the future



Shopify is built to
support merchants
at each stage of growth

Funnel effect: Entrepreneurs today become Plus merchants tomorrow

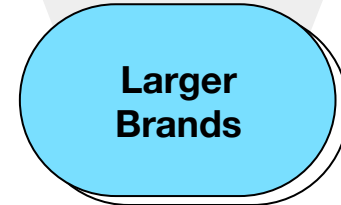
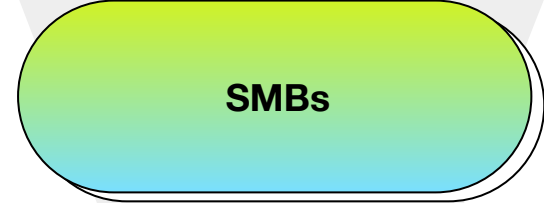
Anyone who wants to be an entrepreneur can build a store



Merchant acquisition:

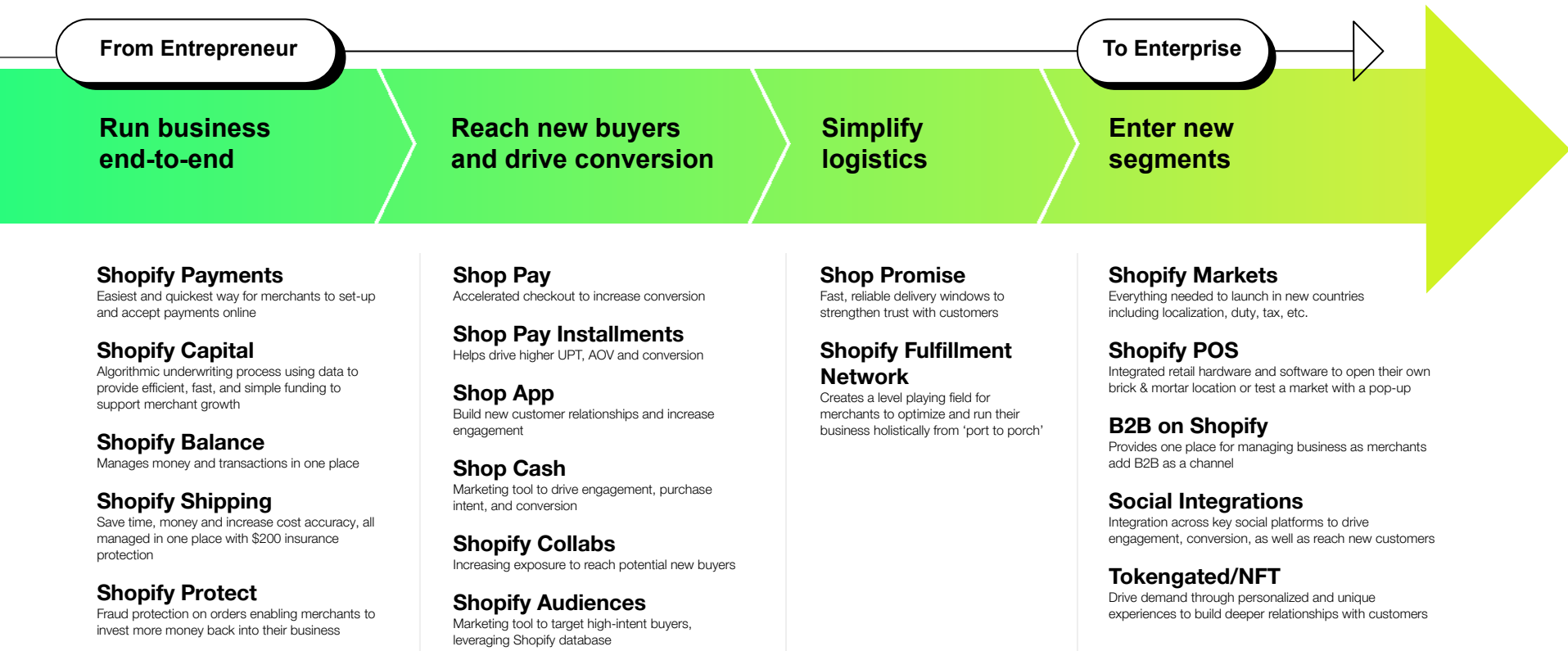
Casting a very
wide net

- ✓ Brand
- ✓ Word of Mouth
- ✓ Search Engine Marketing
- ✓ Digital Advertising
- ✓ Offline Marketing
- ✓ Shopify Blog
- ✓ Content Marketing
- ✓ Trial Programs
- ✓ Shopify Support
- ✓ Shopify POS Sales
- ✓ Global Events
- ✓ Partners and Affiliates
- ✓ Shopify Plus Sales



Building mission critical solutions to **run a merchant's entire business at every stage**

Leverage software development expertise and economies of scale to advance commerce



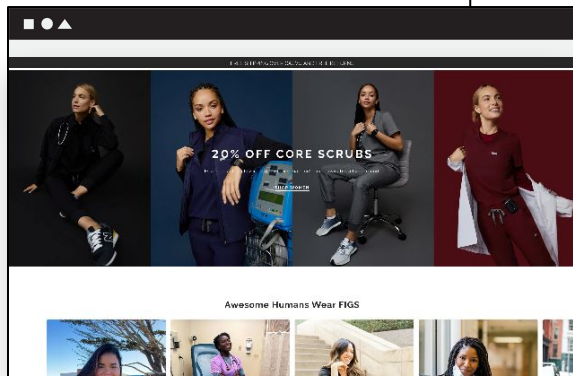
Merchant success **from first sale to full scale**

From **Hello World to IPO**

FIGS + Shopify

shop Pay
installments in partnership with **affirm**
Initial Public Offering

+ FIGS



FIGS launches
on the
**Shopify
Standard Plan**

shopify
payments

Upgrade to
shopifyplus

shop Pay

shopifyshipping

**International
Expansion**
(Canada, UK, Australia)

2013

2014

2016

2017

2018

2020

2021

Consumers' favorite brands powered by Shopify

ALESSI

GYMSHARK

MUSCLE
NATION.

LeSPORTSAC

Ashley
HOMESTORE

ooni
PIZZA OVENS

MOLSON
COORS
beverage
company

allbirds

REBECCA
MINKOFF

UNTUCKit

Tetley

KITH

MR BEAST

jenny
CRAIG

KOTN

GOOD
AMERICAN

HEINZ
ESTD 1869

BUBS
NATURALS

BOMBAS
Beer Better

SKIMS

leesa

FASHION NOVA

Lord & Taylor

drew

Crate&Barrel

OLLY

Master
Lock

STEVE MADDEN

KYLIE

staples

Bals

JB HI-FI

Nestlé



Q3 Brands

COLE HAAN

Glossier.

lemme

ON A MISSION

Panasonic

STELLA&DOT

SUPERGA



Chef J Jackson
MR. FOODTASTIC

“I chose to use Shopify because it was a no brainer! You don’t have to hire a fancy web designer. I was able to add my photos onto my store and have it up and running within an hour!”

Chef J. Jackson | Founder




CEE CEE'S CLOSET
NEW YORK
MADE IN NIGERIA

“We’ve been able to build something in 3 years that a lot of brands haven’t actually gotten to in 10 years.”

Chioma | Co-Founder & CEO

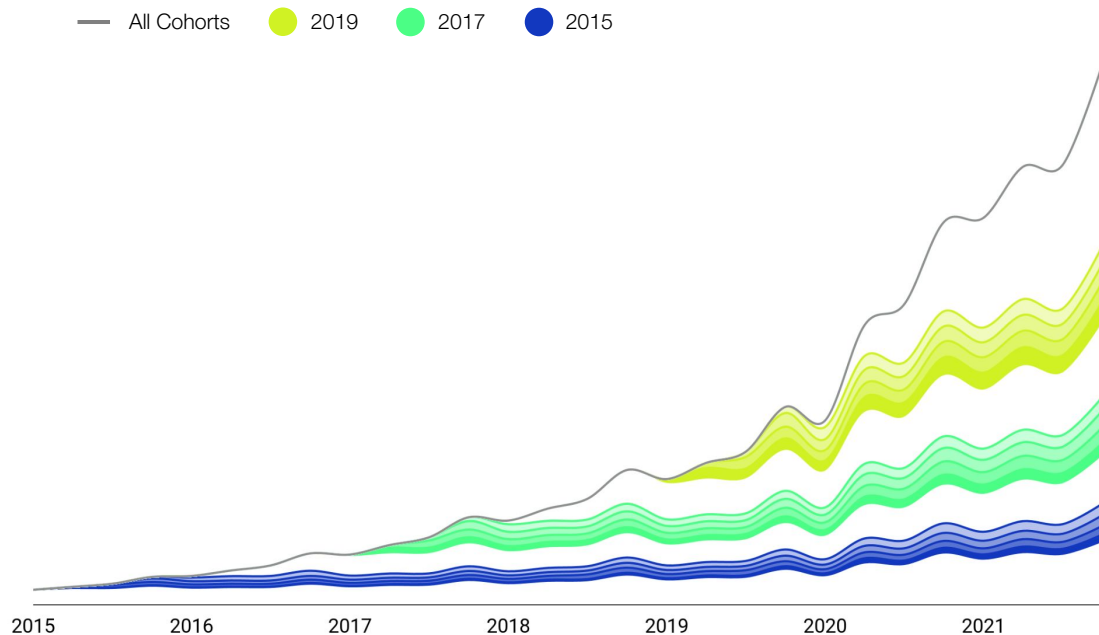


PAPA LAMA

“Shopify just gives me a snapshot of what I need to do and where my business stands. I know what I need to take care of. That helps me give more time to the actual creation of my work.”

Risa | Owner

Revenue compounds every year; cohort retention remains strong



Millions of merchants around the world, across 10+ verticals. Each cohort drives more revenue as time passes, for example:

Sample Cohort	Revenue Growth*
Q1/19	1.5x
Q1/17	1.8x
Q1/15	3.1x

*Examples of quarterly revenue from merchant cohorts that joined the Shopify platform in the period shown.

*Note: The first year a merchant joins the platform may not be 12 full months and therefore is not fully comparable to the subsequent 12 month periods.

*Note: Calculation is last four quarters of revenue reported (ending in Q2/22) divided by first four full quarters of revenue for each cohort (ie starting in Q2 following each cohort year)

Anatomy of a cohort

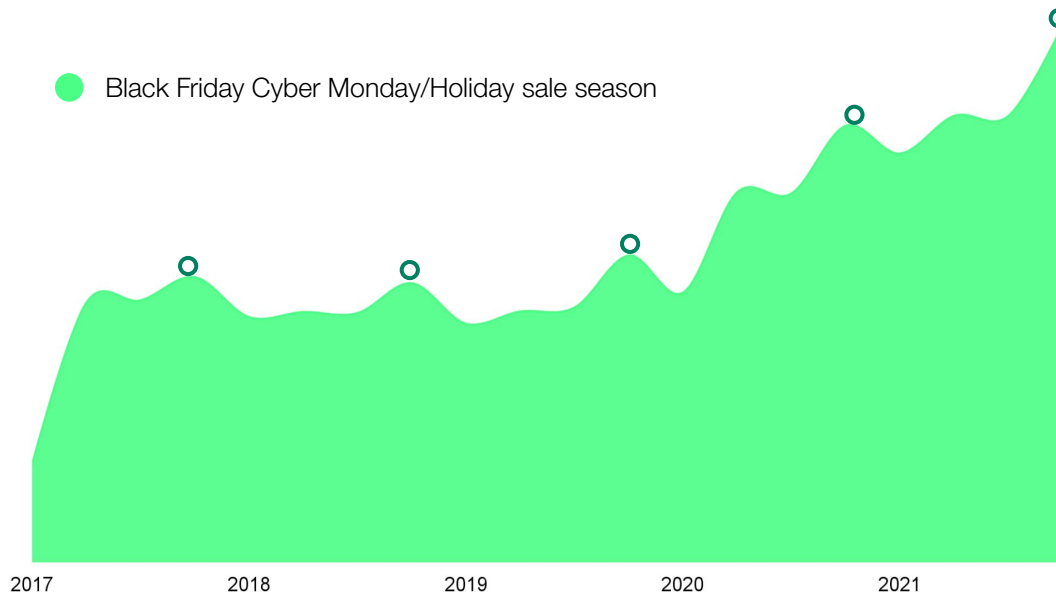


LASHIFY

LIVE NATION

& more

Sample revenue from the cohort Q1 2017



This cohort includes merchants from a wide range of industries

21% apparel & accessories

5% health & beauty

10+ other verticals

(represents % of merchants by vertical)

They continue to use more solutions as they grow

1.6% Merchant Solutions Attach Rate*
(+15% YoY)

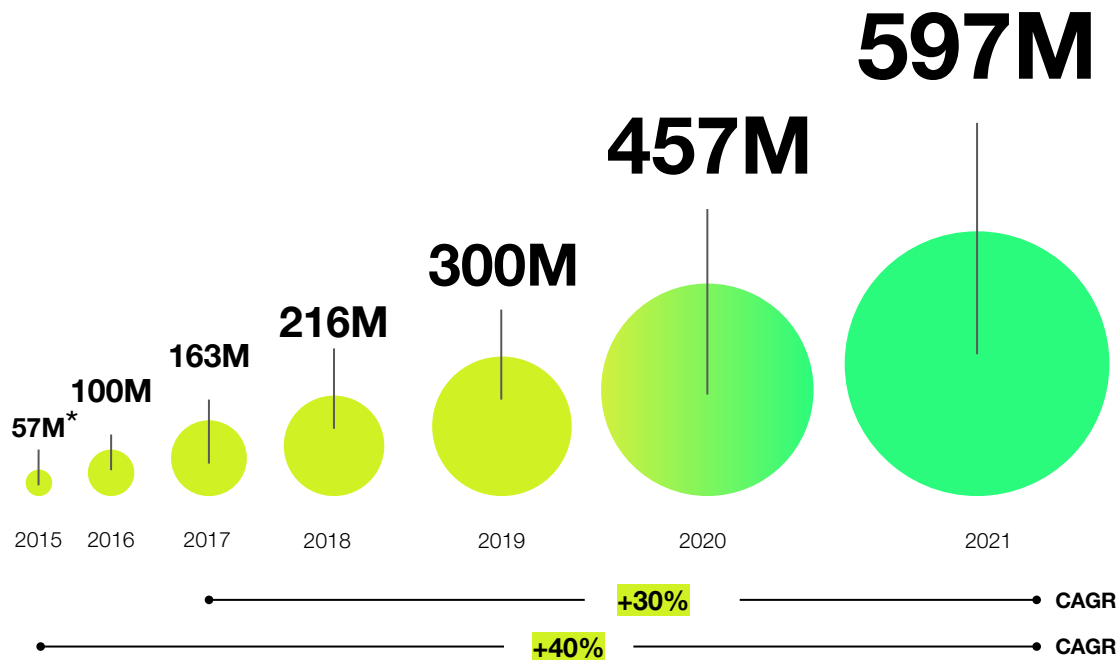
>52% Penetration of payments**

Note: the first year a merchant joins the platform may not be 12 full months and therefore is not fully comparable to the subsequent 12 month periods.

*Merchant Solutions Attach Rate is defined as merchant solutions revenue divided by GMV. Data represents the month of July 2022

**Payments penetration defined as GPV/GMV; GPV or Gross Payments Volume is the amount of GMV process through Shopify Payments as of October 2021

More consumers are buying from **Shopify stores**



*Number of online shoppers purchasing from Shopify merchants



Shop Pay shown to
increase conversion

Before Shopify Payments

BASELINE

Shopify Payments + Shop Pay

1.56X CONVERSION ON DESKTOP

1.91X CONVERSION ON MOBILE

*Study conducted in August 2020

Shopify ecosystem continues to expand

Shopify cultivates partnerships by ensuring that both parties gain value. As a result, partners act as a growth engine for Shopify by bringing new merchants and creating new growth pathways



40,000+

Partners who have referred at least one merchant to Shopify in the last 12 months (December 31, 2021)



8,000+

Apps in our App Store (December 31, 2021)



\$411M

Paid out in the last 12 months to partners by Shopify for apps benefiting our merchants (December 31, 2021)



\$32B

Partner revenue generated in 2021*



↑45%

Partner revenue YoY
7x Shopify's 2021 revenue*



656K

Number of jobs supported by partner ecosystem*







Strategic Commerce Partners:



Product Partners:



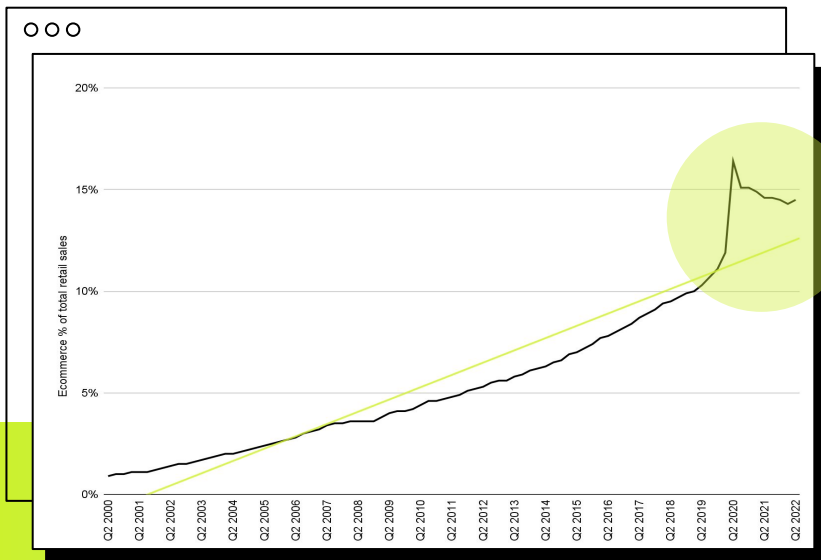
Making commerce better **for everyone in everything we do**

 Creating Economic Impact*	 Combating Climate Change	 Making a Social Impact	 Cultivating a Growth-minded Culture
\$444B+ In global economic activity	\$5M minimum annual spend for Shopify's Sustainability Fund	<ul style="list-style-type: none">+ Operation HOPE to help create 1M new Black-owned businesses by 2030	
5M Jobs supported in 2021	<ul style="list-style-type: none">+ Committed to carbon-neutral operations and platform+ Offset carbon emissions on all orders placed on our platform during BFCM 2021	<ul style="list-style-type: none">+ Government partnerships to help bring thousands of small businesses online	<ul style="list-style-type: none">+ Recruit talented, deeply caring individuals
\$38 For every \$1 in revenue we generated in 2021, our merchants made \$38	<ul style="list-style-type: none">+ Launched Frontier, the world's largest combined financial commitment to buy carbon removal, in partnership with 4 other companies+ Signed a power purchase agreement to power 100% of office buildings and employee home offices across North America with wind energy	<ul style="list-style-type: none">+ Increase visibility for local shops, sustainable shops, Black-owned businesses, Asian-owned businesses, women-owned businesses, LGBTQ+ businesses, and Indigenous-owned businesses through Shop app 	<ul style="list-style-type: none">+ Digital by Design allows employees to easily work almost anywhere in the world+ Invest heavily in personal growth and development+ Build a team that reflects the world we live in

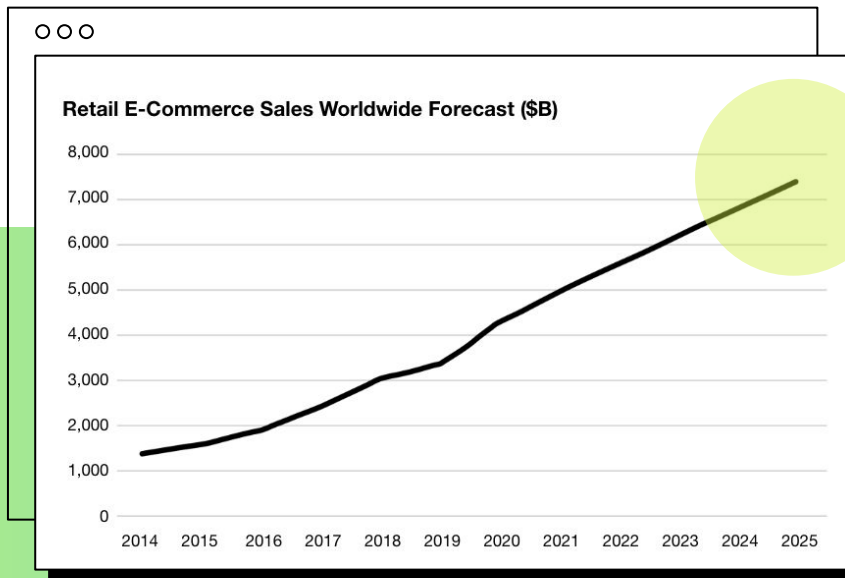
Merchant-focused
flywheel generates
**strong financial
performance**



Ecommerce continues to increase off a higher level reset during the pandemic



Source: US Census Bureau



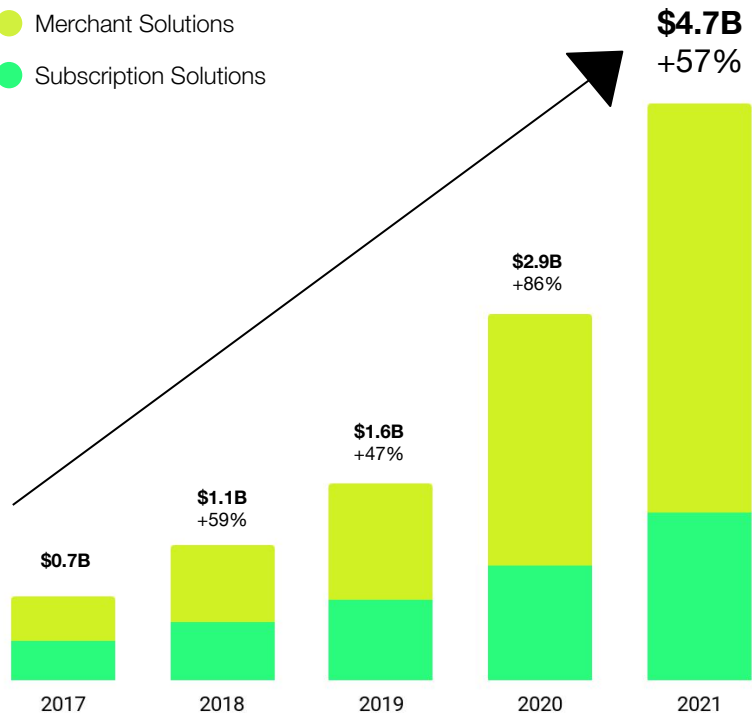
Source: eMarketer, January 2022

Our success-based business model puts merchants first

Our success is predicated on our merchants' success

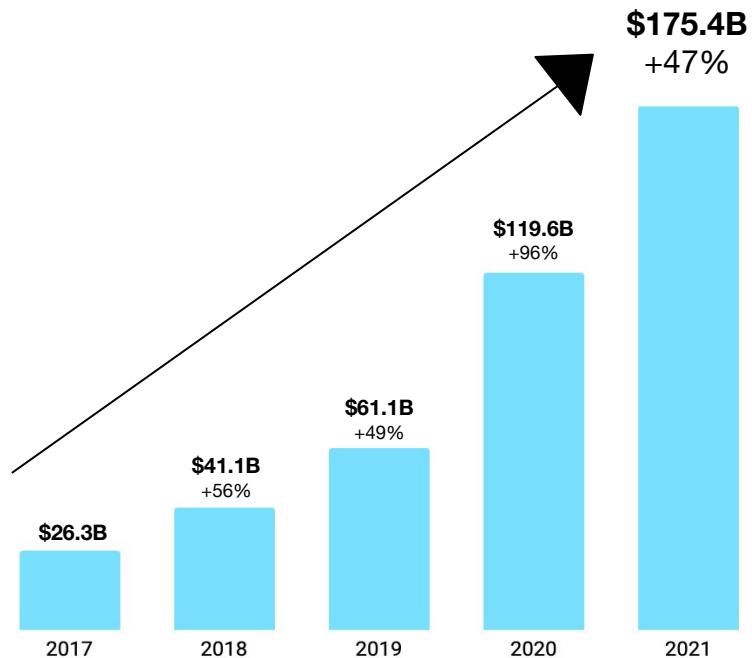
● Merchant Solutions

● Subscription Solutions



Revenue

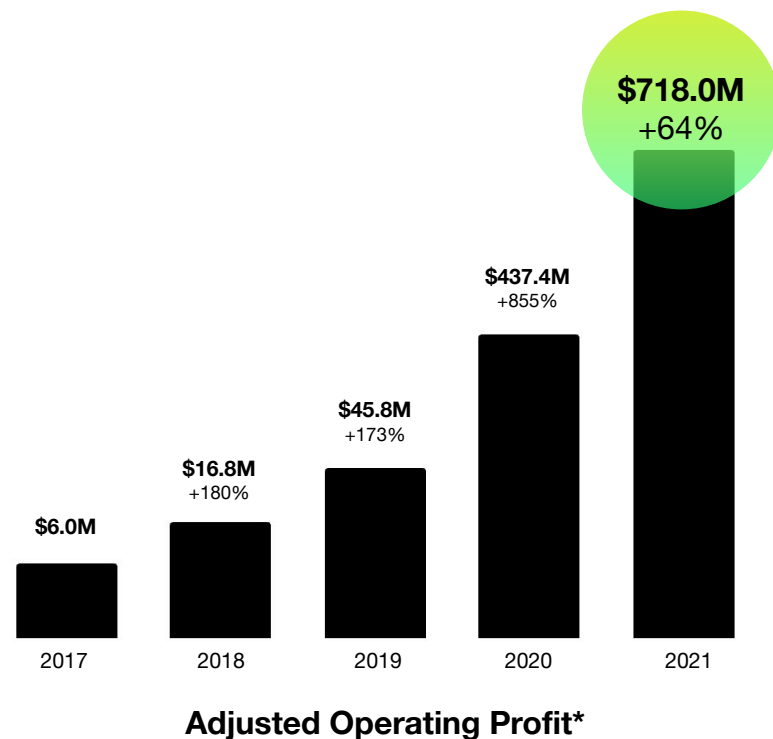
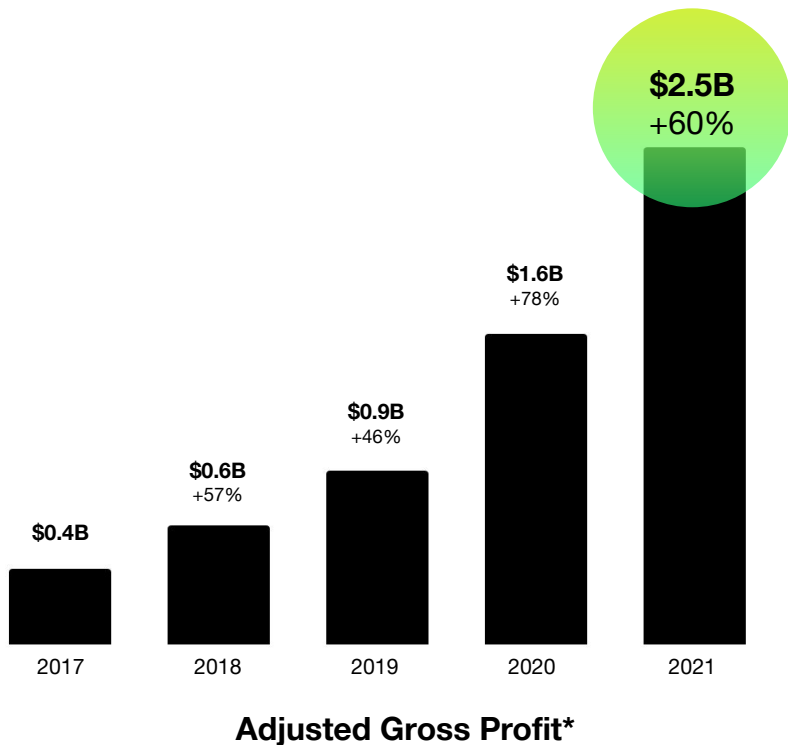
● Merchant Sales



GMV

With a proven track record of **profitability**

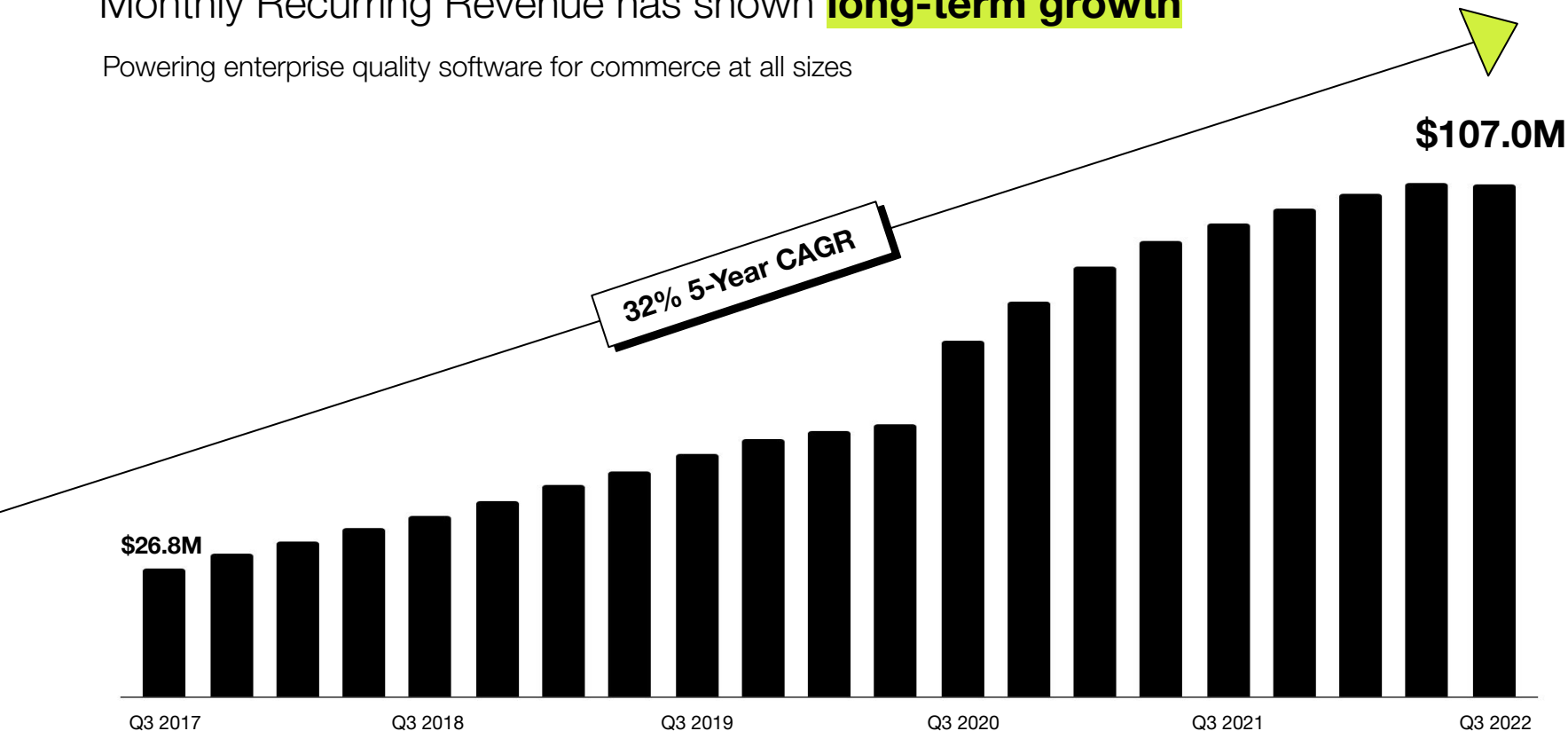
Focus on growth of adjusted gross profit dollars and adjusted operating profit to fuel innovation and propel our flywheel



*Excludes the effect of stock-based compensation (SBC) expenses and related payroll taxes, and amortization of acquired intangibles.
Adjusted Gross Profit is a non-GAAP measure, see Appendix for reconciliation.

Monthly Recurring Revenue has shown **long-term growth**

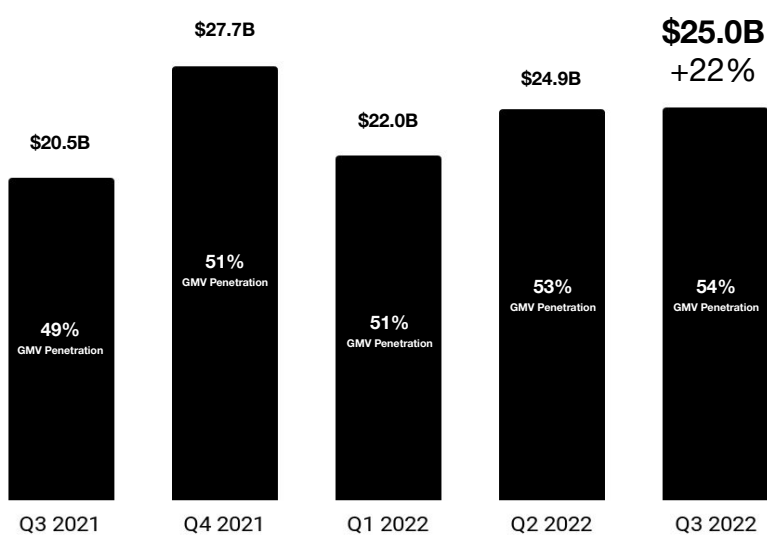
Powering enterprise quality software for commerce at all sizes



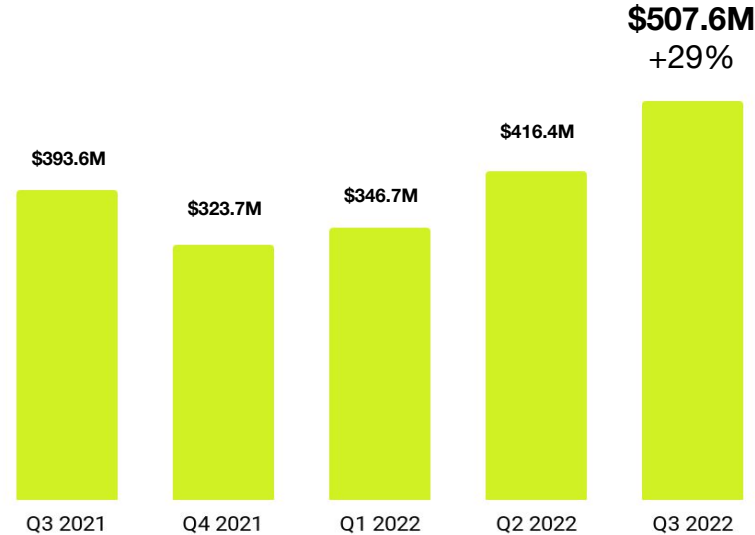
*Monthly Recurring Revenue, or MRR, is calculated at the end of each period by multiplying the number of merchants who have subscription plans with us at the period end date by the average monthly subscription plan fee in effect on the last day of that period, assuming they maintain their subscription plans the following month.

**Due to the extended 90-day free trial (offered from March 21 through May 31, 2020), MRR that normally would have been counted in Q2 2020 did not start getting charged until Q3 2020.

Shopify Payments penetration & Capital funding **reached record levels** in Q3



Shopify Payments
Gross Payments Volume (GPV)*



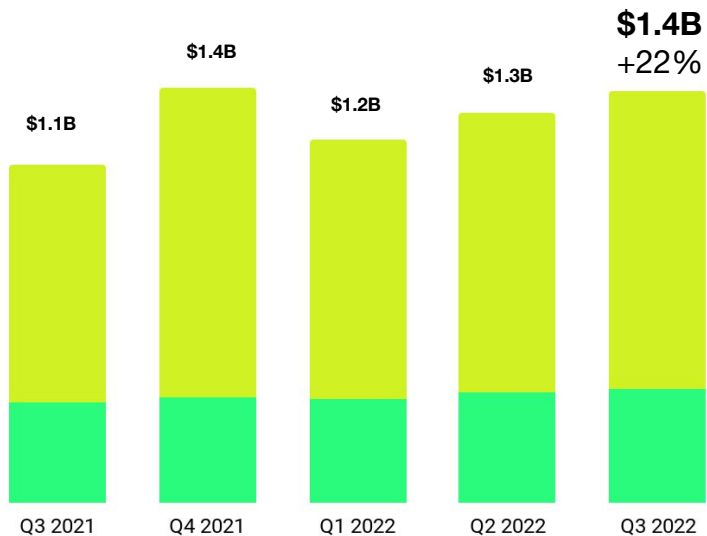
Shopify Capital
Merchant Cash Advances and Loans

*Gross Payments Volume (GPV) is the amount of GMV processed through Shopify Payments.

Enabling strong Q3 **Revenue and GMV growth**

Fueled by omnichannel capabilities and merchants adopting more solutions to run their businesses

- Merchant Solutions
- Subscription Solutions



Revenue



GMV

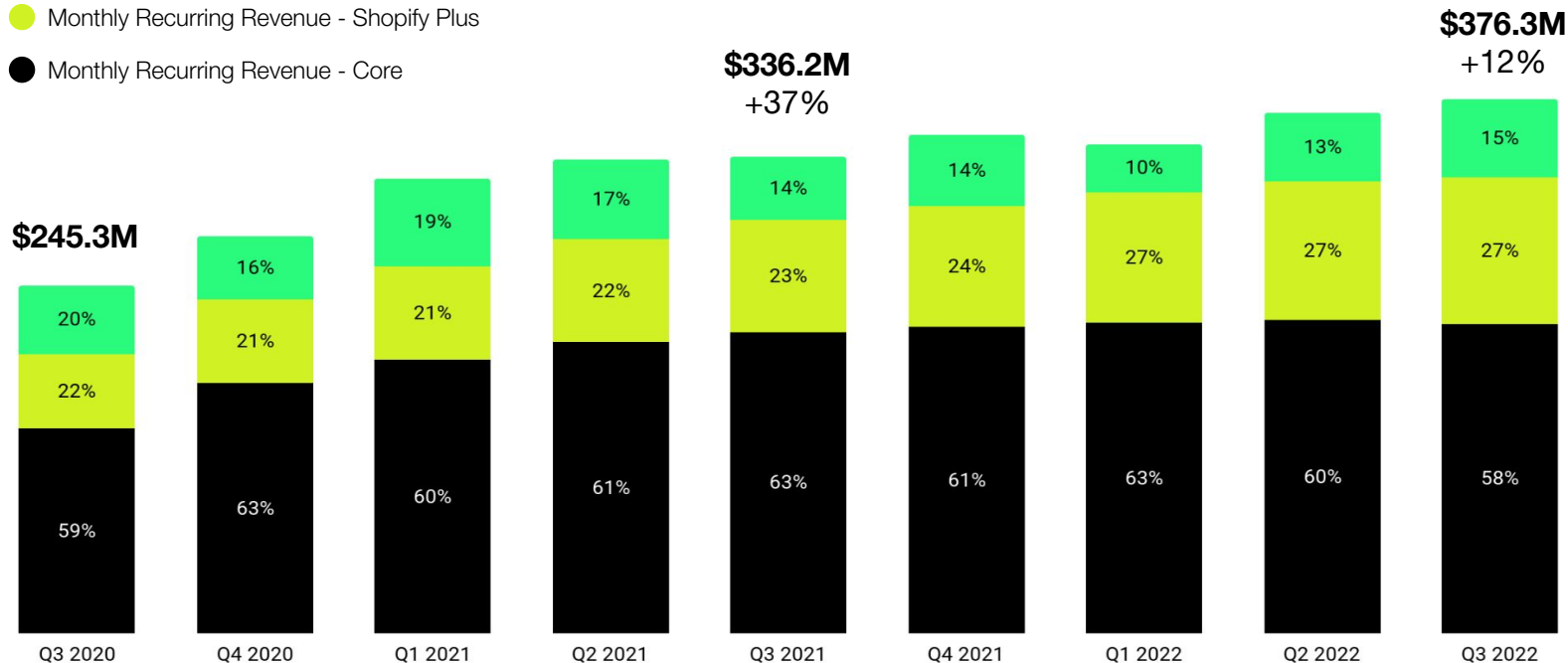
Subscription solutions revenue continues to grow year-over-year

Sustained growth across our Shopify ecosystem and plans

● Apps, Themes, Domains, Shopify Plus Platform Fee Revenue*

● Monthly Recurring Revenue - Shopify Plus

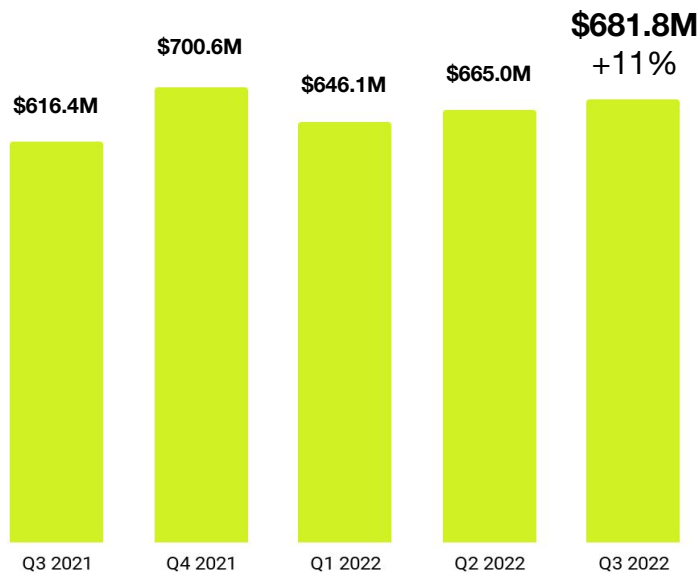
● Monthly Recurring Revenue - Core



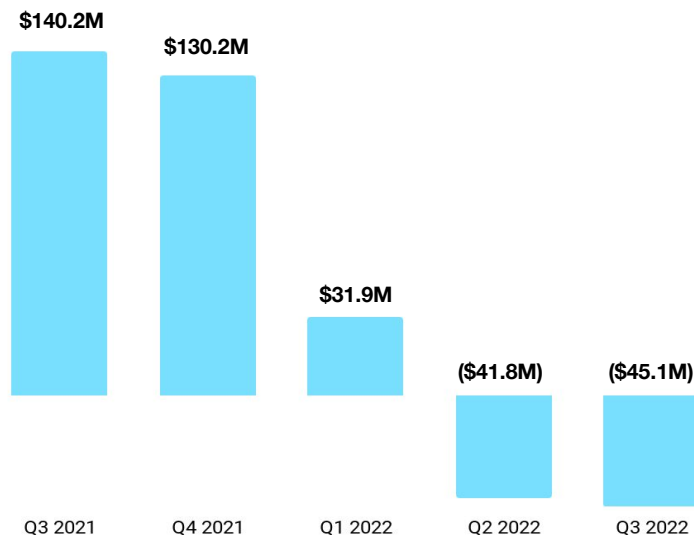
*Approximate Apps, Themes, Domains, Shopify Plus Platform Fee Revenue is calculated by averaging current and previous quarter MRR, multiplying by 3 and subtracting total from Subscription Solutions revenue. Numbers may not foot due to rounding.

Committed to **operational efficiency** to drive long-term growth

Sustained adjusted gross profit dollar growth (3-year CAGR of 46%) balanced with investments to support future growth



Adjusted Gross Profit*



Adjusted Operating Profit/Loss*

*Excludes the effect of stock-based compensation (SBC) expenses and related payroll taxes, employee severance, expense related to legal contingencies, a real estate-related impairment charge and amortization of acquired intangibles. Adjusted Gross Profit and adjusted operating profit/loss are non-GAAP measures, see Appendix for reconciliation.

2022 is an investment year for **future growth**

Key investment themes: Build buyer relationships, go global, advance from first sale to full scale, and simplify logistics

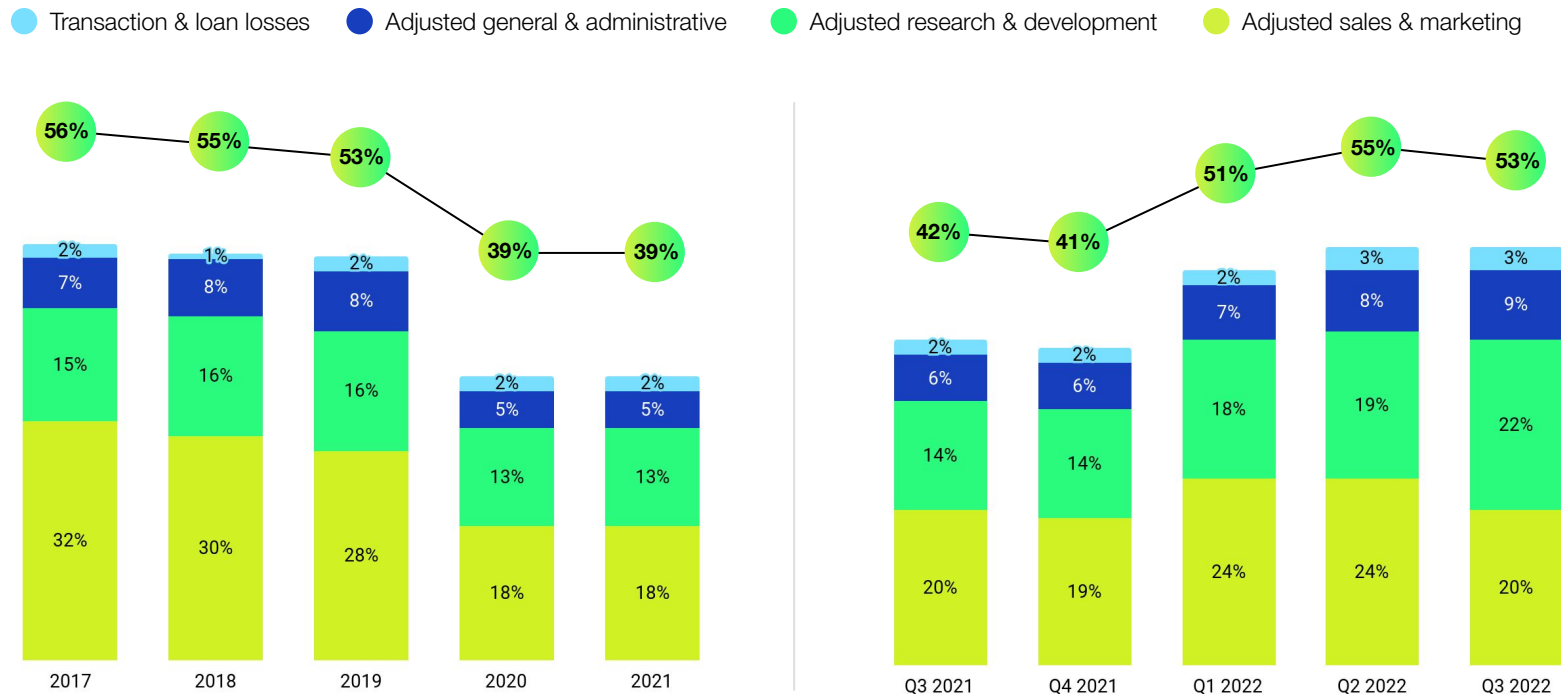
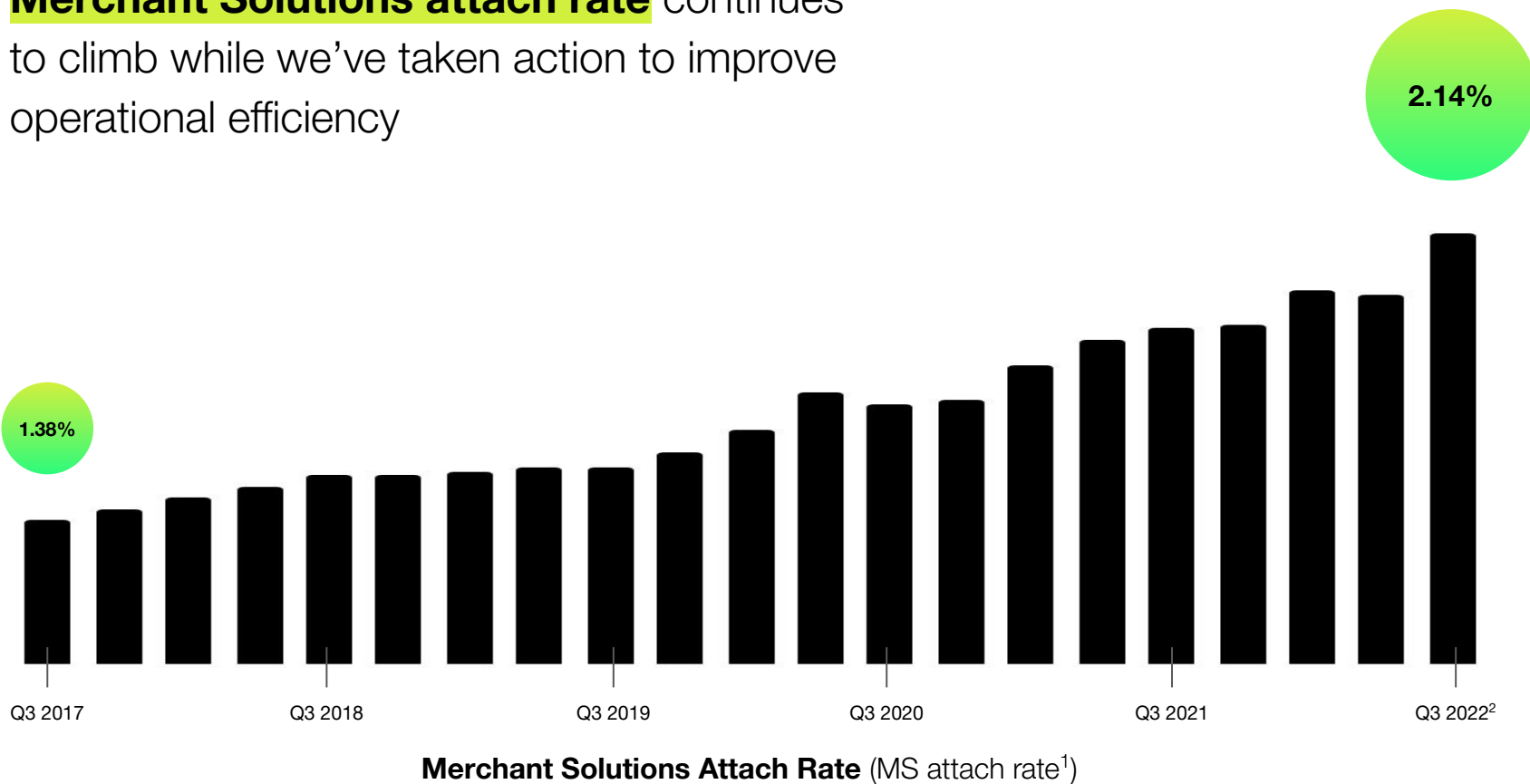


Chart depicts operating leverage, which is measured using Adjusted Operating Expenses as a percentage of revenue. Excludes the effect of stock-based compensation expenses and related payroll taxes, amortization of acquired intangibles, employee severance, expense related to legal contingencies, a real estate-related impairment charge, and impairment of right-of-use assets and leasehold improvements. Adjusted Operating Expenses is a non-GAAP measure, see Appendix for reconciliation. Numbers may not foot due to rounding.

Merchant Solutions attach rate continues to climb while we've taken action to improve operational efficiency



¹MS attach rate is defined as merchant solutions revenue divided by GMV

²MS attach rate inclusive of Deliverr acquisition (+8bps) which occurred in Q3 2022

Investment highlights



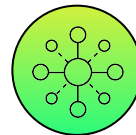
Large and growing opportunity

Massive global market with accelerated ecommerce penetration



Merchant success-based business model

Business model that puts merchants first



Mission-critical solutions

Multichannel commerce platform that enables merchants of all sizes to sell to anyone, anywhere



Immense opportunities for **growth**

As merchants increase their product utilization over time



Cross-sell more solutions

- **B2B:** Penetrate into existing merchants with B2B capabilities
- **POS Pro:** Expand view into physical retail
- **Shopify Capital:** Help merchants obtain funds faster and cheaper than traditional banks
- **Shopify Markets:** Enable merchants to sell internationally
- **Logistics:** Vertically integrated supply chain solutions to help merchants continue to scale

▶ **Shopify Capital**
\$4.3B cumulative funded since April 2016

▶ **Shopify Payments**
Q3/22 GPV penetration **54%** vs **49%** in Q3/21

▶ **Shopify Fulfillment Network (SFN)**
Delivered two-thirds of domestic packages within 2 business days in September, up from **<2%** in early 2022

▶ **Shopify Markets**
>175K merchants using since Q1/22 launch



Upgrade to Plus

- **Funnel effect** to Plus
- Compelling new features **only available on Plus** (e.g. Shopify Audiences, B2B)

Shopify Plus

- ▶ **2021:** Over **14K** merchants and growing
- ▶ Plus merchants have **more than doubled** since 2018, with a **40%** increase in 2021



Pursue new segments

- **B2B:** Wholesale is multiple times D2C, representing billions of dollars in untapped revenue
- **Physical Retail:** Still over **75%** of overall commerce
- **International:** Expanding **beyond** the US and Canada
- **Social media and search:** growing rapidly

Shopify POS

- ▶ Plus merchants accounted for **35% of all POS Pro sales** in Q3/22
- ▶ Q3/22 POS GMV **grew 35% YoY**

Go Global

- ▶ Launched **Shopify Markets Pro** making it easier to accelerate global expansion to **150+ countries** overnight
- ▶ Localized subscription pricing now available **200+ countries**

We're just getting started.

**However commerce evolves,
Shopify will be the engine
behind it. The merchants who
are the backbone of the
economy demand it of us.**



2022 full-year outlook considerations

Revenue

- Quarters spread more evenly (similar to 2021)
- Merchant solutions revenue growth >2x subscription solutions revenue growth

Gross profit

- Gross profit dollar growth to trail revenue growth due to a larger mix of Merchant Solutions and Deliverr, which we expect to be dilutive

Operating expense

- Exit the year with OpEx growth decelerating

Adjusted operating loss

- Re-investment year for future long-term growth

Stock-based compensation

\$575M

(previous outlook \$750M)

Capital expenditures

\$125M

(previous outlook \$200M)

Amortization of acquired intangibles

\$55M

(previous outlook \$62M)

Additional commentary related to Q4/22

Deliverr acquisition

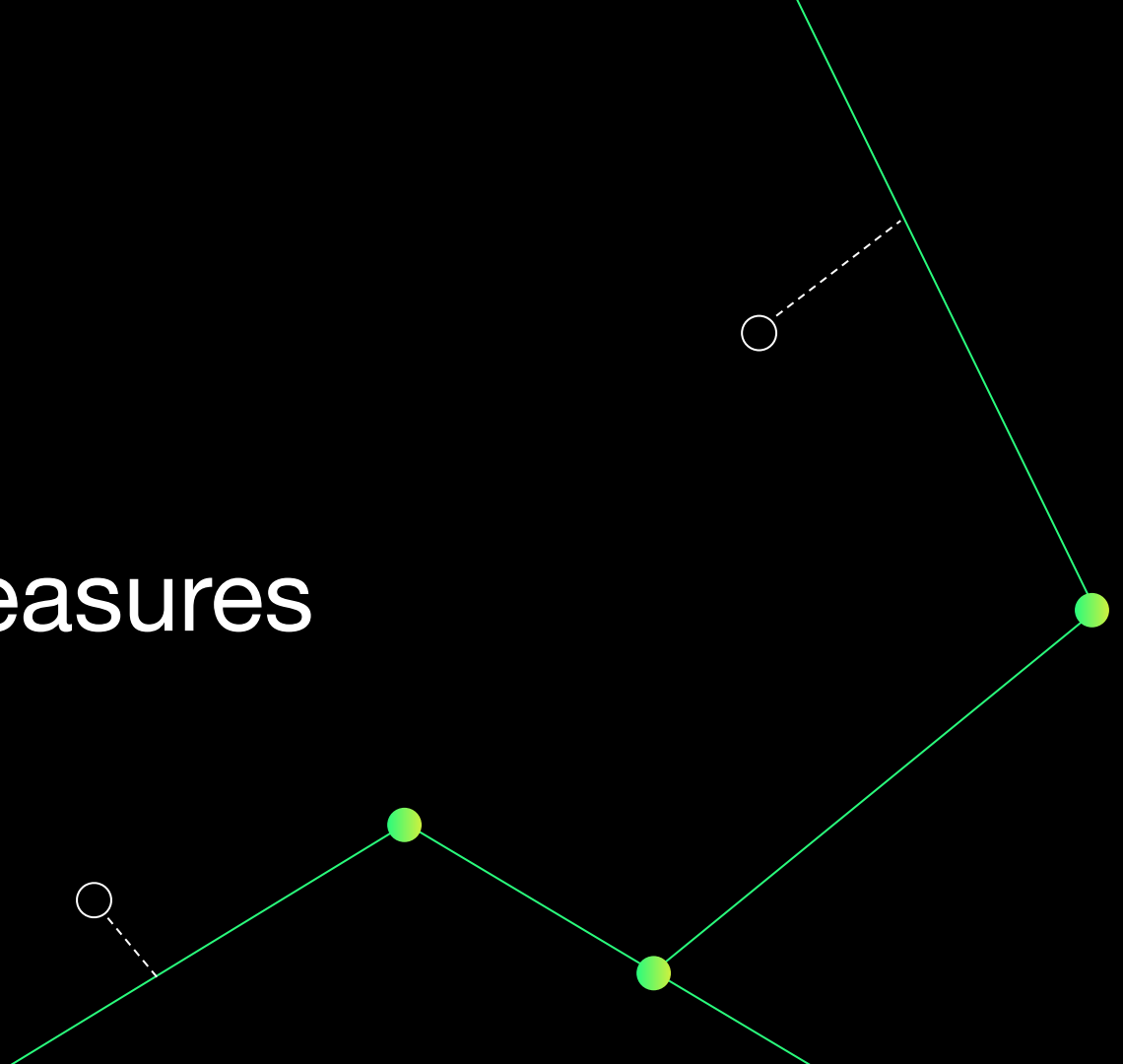
- Accretive to revenue growth
- Dilutive to gross margin
- +450 employees

Adjusted operating loss considerations for Q4/22:

- Compensation structure change
- Q4 adjusted operating loss **to be comparable** to Q3 adjusted operating loss dollar amount



Non-GAAP Financial Measures



Non-GAAP financial measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with United States generally accepted accounting principles ("GAAP"), Shopify uses certain non-GAAP financial measures to provide additional information in order to assist investors in understanding our financial and operating performance.

Adjusted gross profit and adjusted operating expenses are non-GAAP financial measures that exclude the effect of stock-based compensation expenses and related payroll taxes, amortization of acquired intangibles and, in the case of adjusted operating expenses, a real estate-related impairment charge.

Management uses non-GAAP financial measures internally for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Shopify believes that these non-GAAP measures provide useful information about operating results, enhance the overall understanding of past financial performance and future prospects, and allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-GAAP financial measures are not recognized measures for financial statement presentation under U.S. GAAP and do not have standardized meanings, and may not be comparable to similar measures presented by other public companies. Such non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. See the financial tables below for a reconciliation of the non-GAAP measures.

October 2022

Reconciliation of GAAP to Non-GAAP figures

Expressed in US\$000s							
	2017	2018	2019	2020	2021	Q3'21	Q3'22
GAAP Gross profit	380,253	596,267	865,643	1,541,520	2,481,144	608,909	662,332
add: SBC and SBC-related payroll taxes	1,281	2,441	4,090	7,472	7,642	1,987	2,327
add: Amortization of acquired intangibles	3,101	4,914	9,624	19,488	20,399	5,536	17,133
Non-GAAP Gross profit	384,635	603,622	879,357	1,568,480	2,509,185	616,432	681,792
% of Revenue	57%	56%	56%	54%	54%	55%	50%
GAAP Sales and marketing	225,694	350,069	472,841	602,048	901,557	237,949	302,476
less: Sales and marketing SBC and SBC-related payroll taxes	9,876	24,056	38,167	46,390	47,283	11,673	17,224
less: Amortization of acquired intangibles	-	-	283	1,548	1,544	386	2,025
less: Severance related costs	-	-	-	-	-	-	10,845
Non-GAAP Sales and marketing	215,818	326,013	434,391	554,110	852,730	225,890	272,382
% of Revenue	32%	30%	28%	19%	18%	20%	20%

Expressed in US\$000s							
	2017	2018	2019	2020	2021	Q3'21	Q3'22
GAAP Research and development	135,997	230,674	355,015	552,127	854,383	221,028	412,359
less: Research and development SBC and SBC-related payroll taxes	34,560	59,575	104,645	188,249	250,787	63,840	107,972
less: Amortization of acquired intangibles	-	-	232	233	206	58	-
less: Severance related costs	-	-	-	-	-	-	8,402
Non-GAAP Research and development	101,437	171,099	250,138	363,645	603,390	157,130	295,985
% of Revenue	15%	16%	16%	12%	13%	14%	22%
GAAP General and administrative	67,719	107,444	153,765	245,343	374,844	128,722	255,125
less: General and administrative SBC and SBC-related payroll taxes	9,485	17,690	29,861	52,195	91,337	30,638	26,128
less: Impairment of right-of-use assets and leasehold improvements	-	-	-	31,623	30,145	30,145	-
less: Severance related costs	-	-	-	-	-	-	11,234
less: Litigation contingencies	-	-	-	-	-	-	97,000
Non-GAAP General and administrative	58,234	89,754	123,904	161,525	253,362	67,939	120,763
% of Revenue	9%	8%	8%	6%	5%	6%	9%

Expressed in US\$000s							
	2017	2018	2019	2020	2021	Q3'21	Q3'22
GAAP Transaction and loan losses	-	8,248	25,169	51,849	81,717	25,311	37,738
% of Revenue	-	1%	2%	2%	2%	2%	3%
GAAP Operating expenses	429,410	688,187	1,006,790	1,451,367	2,212,501	613,010	1,007,698
less: Operating SBC and SBC-related payroll taxes	53,921	101,321	172,673	286,834	389,407	106,151	151,324
less: Amortization of acquired intangibles	-	-	515	1,781	1,750	444	2,025
less: Impairment of right-of-use assets and leasehold improvements	-	-	-	31,623	30,145	30,145	-
less: Severance related costs	-	-	-	-	-	-	30,481
less: Litigation contingencies	-	-	-	-	-	-	97,000
Non-GAAP Operating expenses	375,489	586,866	833,602	1,131,129	1,791,199	476,270	726,868
% of Revenue	56%	55%	53%	39%	39%	42%	53%



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