



Leading the future of commerce

August 7, 2024



Advisories

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 are described in further detail in our Q2 2024 earnings release, in our Management's Discussion and Analysis, in the section entitled "Risk Factors" in our Annual Information Form and as disclosed from time to time in Shopify's filings with the U.S. Securities and Exchange Commission and the securities commissions or similar securities regulatory authorities in each of the provinces or territories of Canada, which are available on www.sec.gov and on www.sedarplus.ca. 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 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 our consolidated financial statements, which are prepared and presented in accordance with United States generally accepted accounting principles ("GAAP"), Shopify uses certain non-GAAP and other financial measures to assist investors in understanding our financial and operating performance. These measures are not recognized measures for financial statement presentation under GAAP, do not have standardized meanings, and may not be comparable to similar measures presented by other public companies. These measures should be considered a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. Please refer to the Appendix titled "Non-GAAP and Other Financial Measures" 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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August 2024

Shopify Snapshot



\$2.0B

Revenue in Q2 2024
(up 21% YoY)



\$1.0T

Global commerce¹
since Shopify's inception



>10%

US ecommerce market
share² and expect further
penetration

Millions
of merchants in
175+ Countries



675M+

Unique online shoppers
purchasing from Shopify
merchants in 2023

¹ Cumulative Shopify GMV since Shopify's inception

² US Census Bureau - Shopify market share based on Shopify's 2023 US GMV (excluding merchant sales made through POS)

Investment thesis

01 We help **accelerate the power** of entrepreneurship and merchant success

02 We are a **leading platform** for entrepreneurship . . .

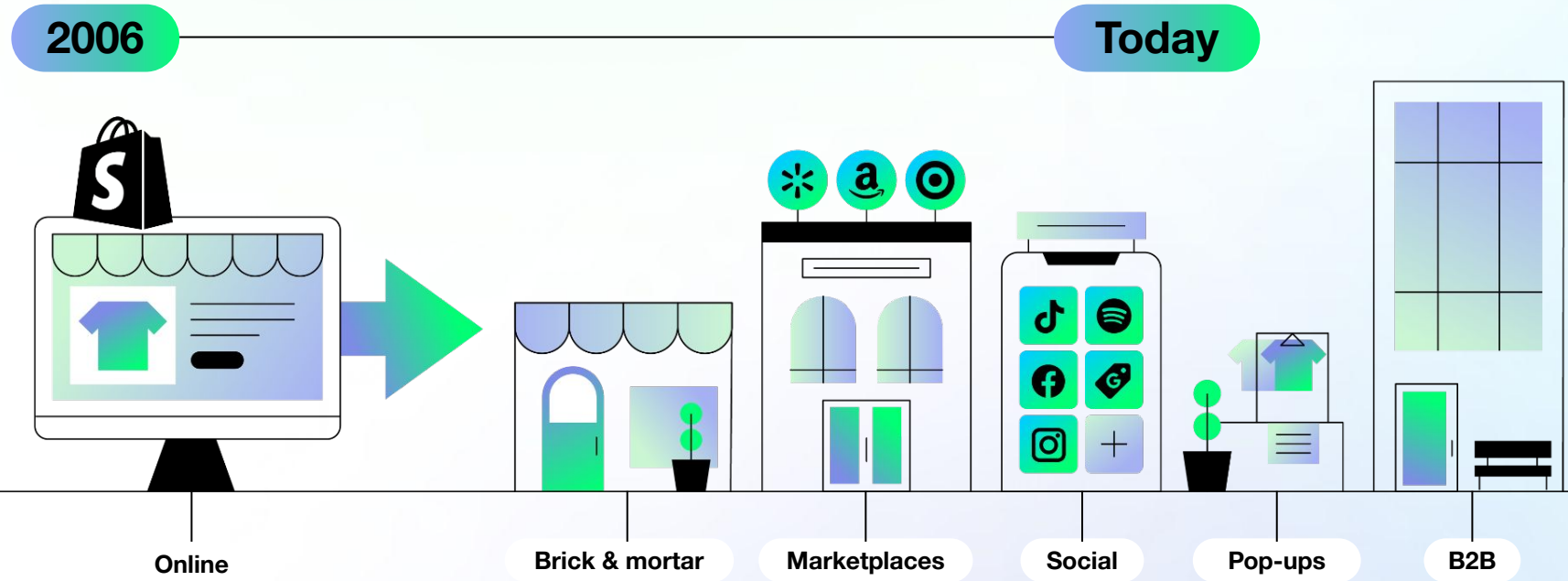
03 . . . and **increasingly all of commerce**

04 As merchants do better, **Shopify does better**

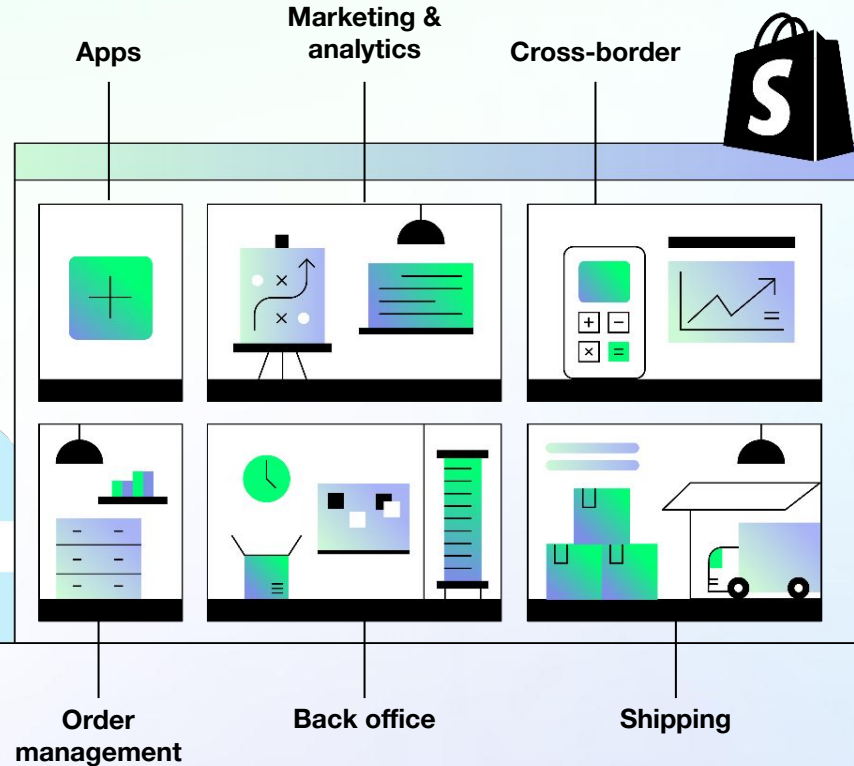
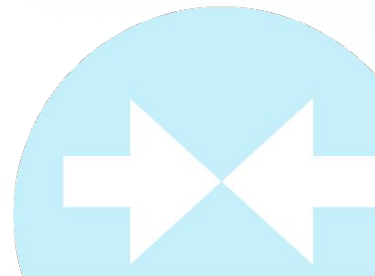
We've been focused on becoming
the **unified commerce operating
system** for our merchants since 2006

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

Over 90% of our merchants have installed two or more channels



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



Consumers' favorite brands powered by Shopify

+ Q2 Brands*

SPANX[®]

GYMSHARK 

BODEN

THE FINEST QUALITY
Herschel
SUPPLY CO. BRAND
TRADE MARK

 ASHLEY

MATTEL

 MOLSON
COORS
beverage
company

allbirds

REBECCA
MINKOFF

 BAUER

 STRENGTH

KITH

 MR BEAST

 overstock.com[®]

KOTN

GOOD
AMERICAN

HEINZ
ESTD 1869

DOLLAR
SHAVE
CLUB[®]

BOMBAS
bird edition

SKIMS

leesa

FASHIONNOVA

Lord & Taylor

 QVC

Glossier.

Crate&Barrel

OLLY.

GIANT TIGER[®]

STEVE MADDEN

AWAY

KYLIE

staples 

Bobs

JB HI-FI

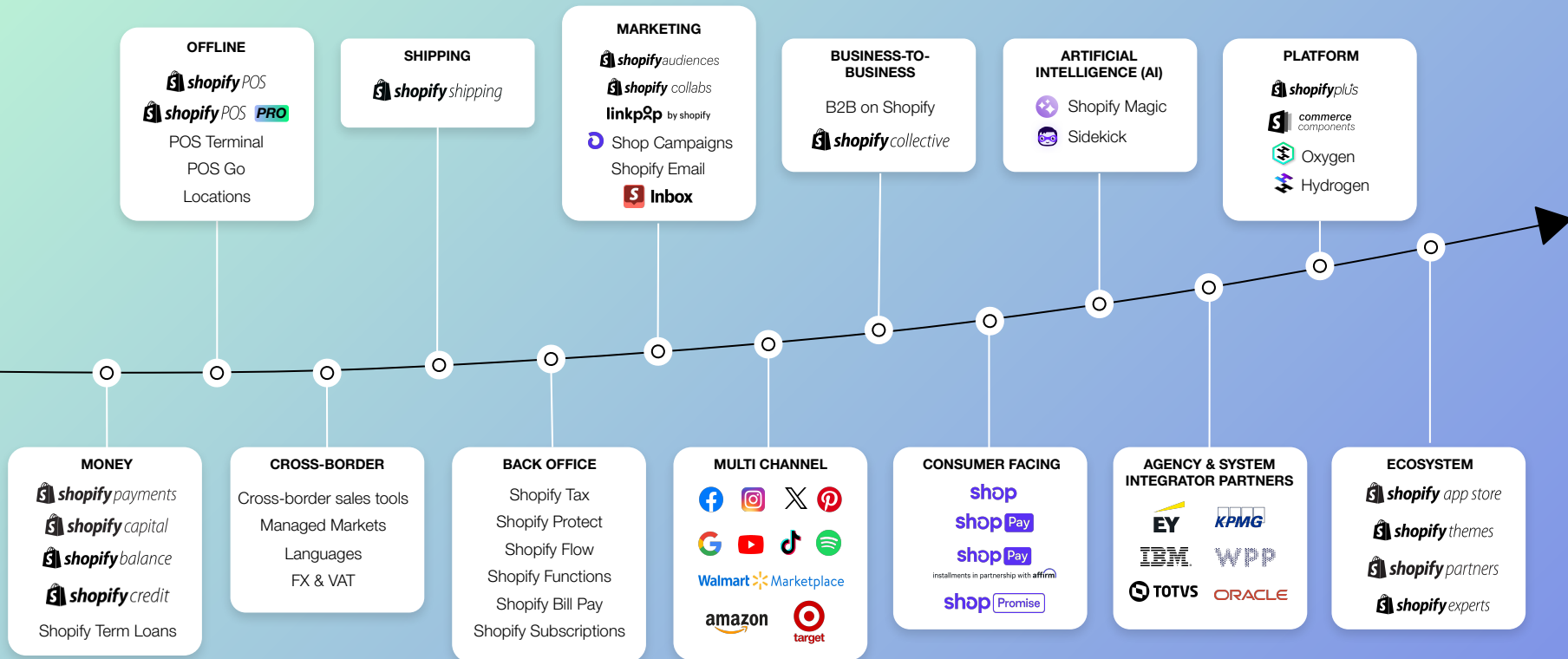
Nestlé

Grove[®]
COLLABORATIVE



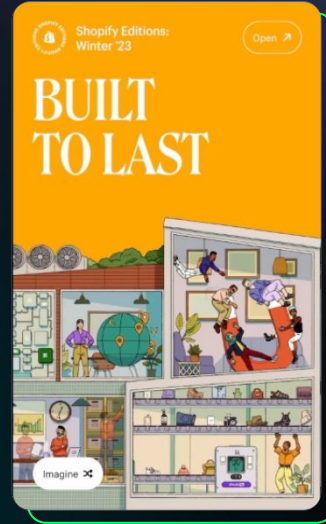
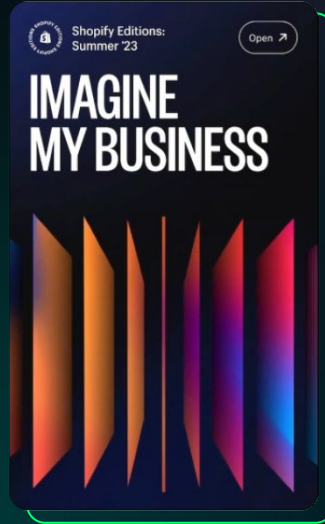
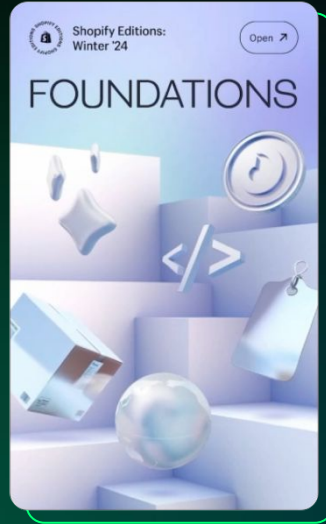
* Includes both launched and signed merchants as of August 6, 2024

Merchant-first focus through product innovation



*Markets Pro rebranded as Managed Markets at Summer '24 Edition in June 2024.

Launching **100+ features and updates** every six months at Shopify Editions






With solutions that make it **easier** for merchants to...

...thrive at any stage

Starter Plan
Basic Plan
Retail Plan
Shopify Plan
Advanced Plan

 **shopifyplus**

 **commerce components**

 Hydrogen

 Oxygen

...run and manage a business

 **shopify payments**

 **shopify capital**

 **shopify balance**

 **shopify app store**

 **shopify themes**

 **shopify shipping**

shop Pay

Shop Pay Installments • Shopify Flow
Shopify Tax • Shopify Fraud Protection
Shopify Credit • Shopify Term Loans
Shopify Subscriptions • Shopify Bill Pay

...sell wherever buyers are

 **shopify POS**

 **shopify POS PRO**








 **shopify collective**

B2B on Shopify

Marketplace Connect app

Managed Markets

Cross-border sales tools

... and discover new customers

 **shopify audiences**

 **shopify collabs**

linkpop by shopify

 **Inbox**

Shopify Email

Tokengated Commerce

shop
shop Promise

AI solutions:
Magic + Sidekick



Entrepreneur

Starter
\$5 per month

Basic
\$39 per month

Retail
\$89 per month

Shopify
\$105 per month

Advanced
\$399 per month

Shopify Plus
\$2,300+ per month + variable platform fee*

Commerce Components
Variable depending on merchant

Enterprise

So that businesses never **need to leave** the **Shopify platform**

COURSEWORK **STARTER**

Toys R US

The Public Pet

WOLF & BADGER **RETAIL**

Casper **PLUS**

elph CERAMICS

BR HOME

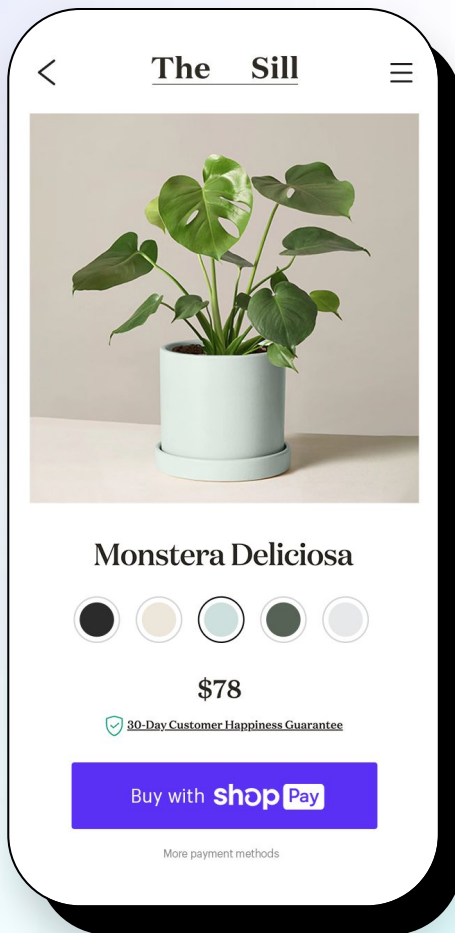
EVERLANE **CCS**

* Price reflected here is the 3-year contract term, for the 1-year contract term the price is \$2,500 per month + variable platform fee.

shop **Pay**

Unlocking opportunities that are **only possible** on Shopify

Access to Shop Pay, the world's
fastest converting accelerated-
checkout¹



Up to **50%**

higher conversion rate
when Shop Pay is used¹

150M+

buyers opted-in to Shop Pay

\$158B

cumulative GMV² since launch
in 2017

\$16B

GMV in Q2 2024

↑ +45% YoY

¹ Finding from an external study by a leading global management consultancy from April 2023

² Gross Merchandise Volume (GMV) represents the total dollar value of orders facilitated through the Shopify platform including certain apps and channels for which a revenue-sharing arrangement is in place in the period, net of refunds, and inclusive of shipping and handling, duty and value-added taxes.



Shopify continues to **grow and deepen its partnerships**

Cultivating partnerships with industry leaders: When our partners succeed, our merchants succeed, and we succeed

App & channel partners:



13,000+

Apps in our App Store
(December 31, 2023)

\$729M

Paid out in the last 12 months to
partners by Shopify for apps benefiting
our merchants (December. 31, 2023)

Product partners:

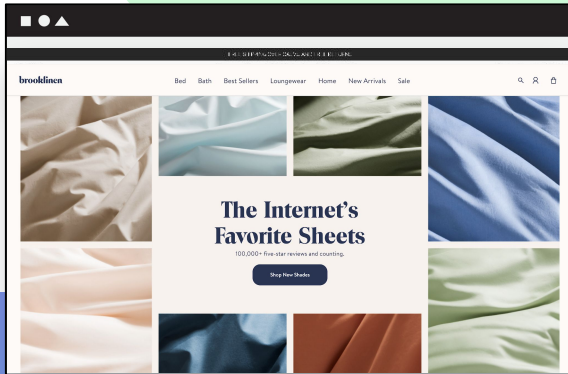


Service & technology partners:



Merchant success from first sale to full scale

brooklinen +  shopify



Launched on
 **shopify plus**

2015

Adopted
 **shopify payments**

Enabled
 **shop Pay**

Opened first brick-and-mortar store leveraging
 **shopify POS**

Enabled
 **shop Pay**
installments in partnership with  **affirm**

Expanded retail presence across the US powered by
 **shopify POS**

Scaled wholesale business with **B2B on Shopify**

2023



DAILY HARVEST

“Having something where we can build a B2B pipeline with Shopify is great because it means we can trial something impactful without investing in other technical systems.”

YuJin Yong — VP of Digital

B2B on Shopify



“Any ecommerce retailer looking to increase international conversion and sales should use Managed Markets. The onboarding was simple, and we saw results fast. It's like a superhero for growing brands.”

Irina Ovrutsky — Founder & CEO

Managed Markets*



KICK GAME[®]



“Now I can go into Shopify POS and spin up a new store in half an hour. Then anytime something sells in store, it automatically adjusts the inventory online as well. It's a game-changer when you're trying to set up an omnichannel business.”

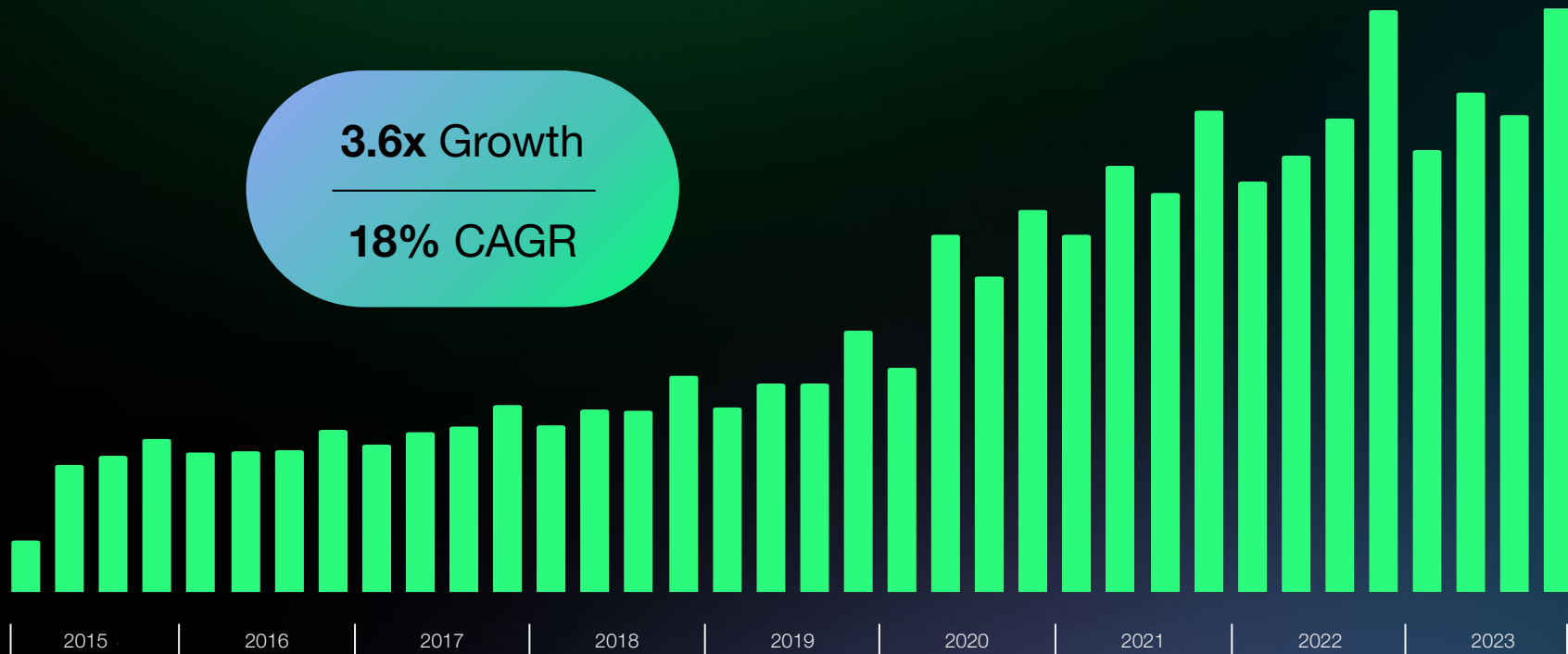
David Franks — Co-founder and CTO

shopify POS



Our revenue cohorts **get stronger over time...**

How our Q1 2015 cohort has grown



3.6x Growth
18% CAGR

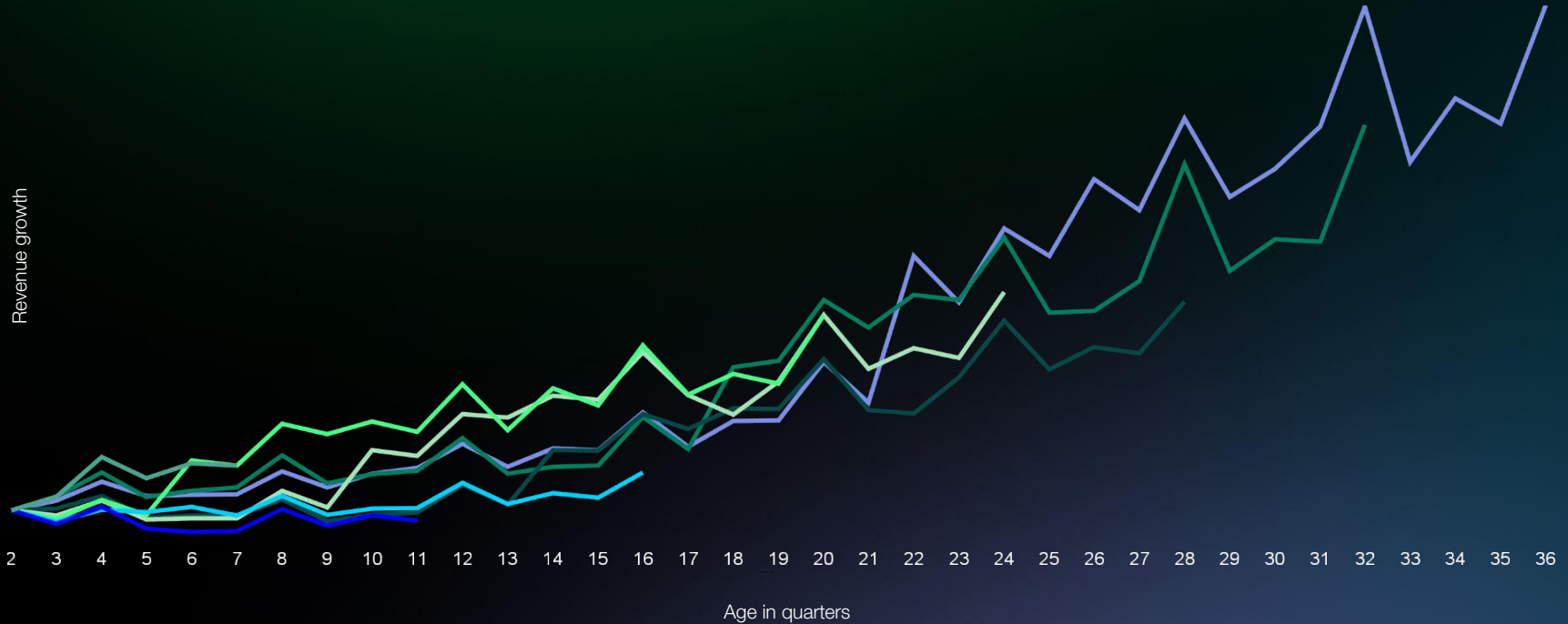


*Example of quarterly revenue from a single cohort, the Q1 2015 merchant cohort (as of December 2023)

**Growth calculation reflects last four quarters of revenue reported (ending in Q4 2023) divided by first four full quarters of revenue (Q2 2015-Q1 2016 for the Q1 2015 merchant cohort)

...and that pattern persists **across all our cohorts**

● Q1 2015 ● Q1 2016 ● Q1 2017 ● Q1 2018 ● Q1 2019 ● Q1 2020 ● Q1 2021 ● Q1 2022



*Examples of quarterly revenue retention from merchant cohorts

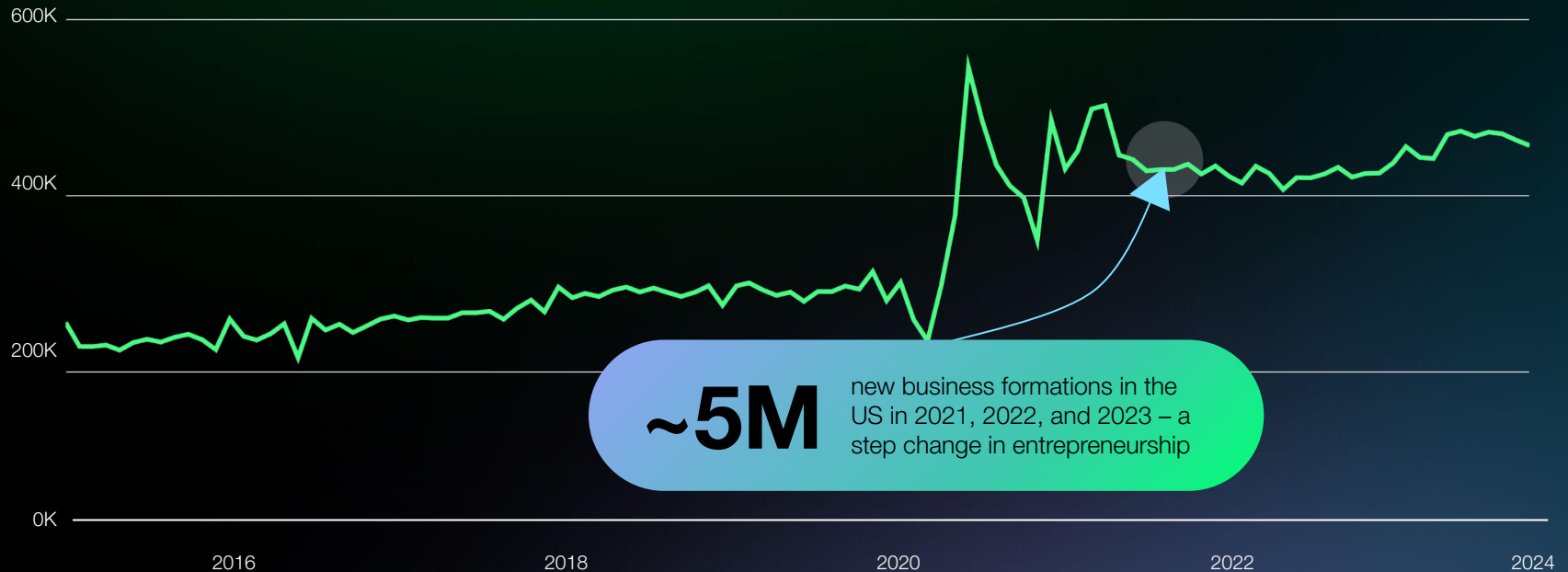
**Revenue retention calculation reflects the quarterly revenue in a given period for each cohort divided by each cohort's first full quarter of revenue after joining the platform, respectively

A vertical bar on the left side of the slide, transitioning from light green at the top to light blue at the bottom.

Large and growing opportunity:
Massive global market with
accelerated ecommerce penetration

Entrepreneurship is **more accessible and more important than ever**

Monthly new business applications (US)

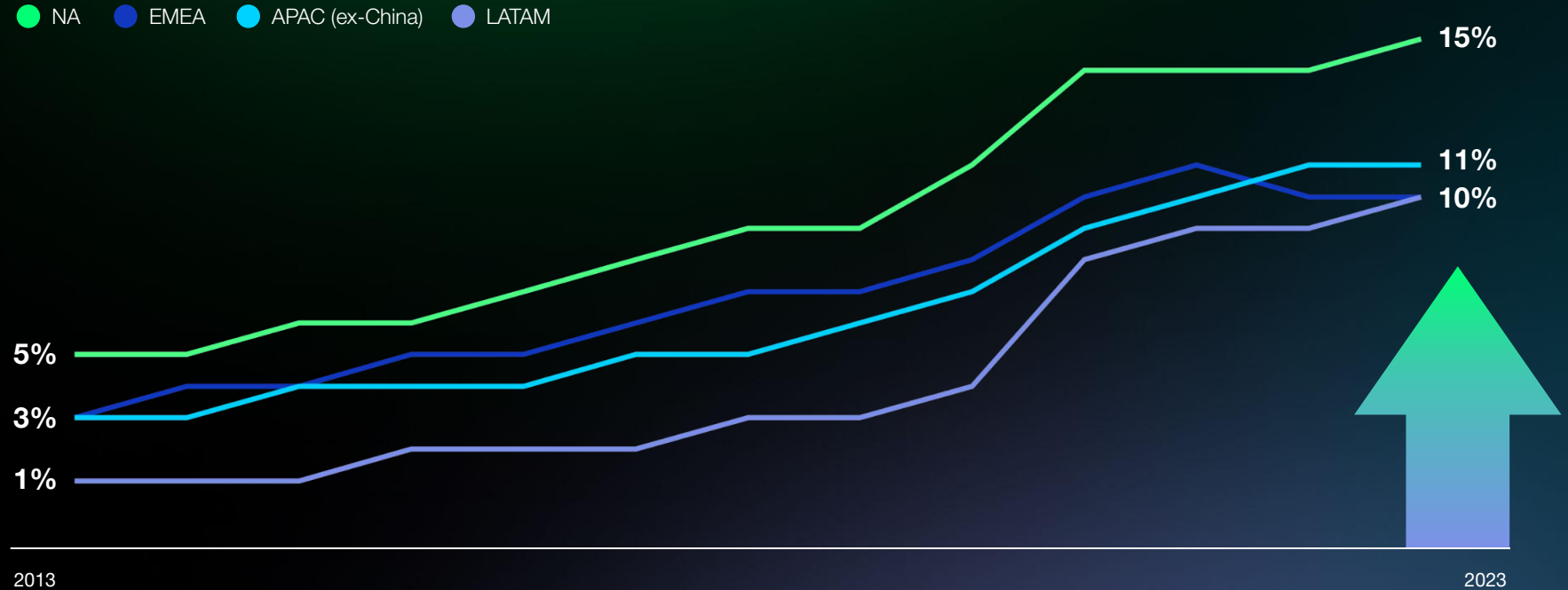


~5M

new business formations in the US in 2021, 2022, and 2023 – a step change in entrepreneurship

Our core market of ecommerce **still has so much runway**

Ecommerce penetration of retail sales



2013

2023



We are **creating and expanding** our total addressable market through...

- + More products
- + More geographies
- + More merchant sizes

\$849B

Managed Markets



B2B on Shopify



and more...

\$153B



\$46B

Subscription Solutions



2015

2020

2023

Future

Source: Shopify internal estimates, third-party study, eMarketer, Evolve Business Intelligence, Grandview Research, US Bureau of Labor Statistics, Statista
*Revenue opportunity shown. Products shown in accordance with time of product launch. Shopify Logistics excluded. 2015 and 2020 TAM previously disclosed based on average revenue per merchant and estimated number of retail businesses globally per third party study. 2023 TAM based on a top-down and bottoms-up analysis by product



With only 2% penetration of our opportunity in the **geographies that we currently serve**

\$849B

Global revenue TAM

1% penetrated

\$81B Subscription Solutions

\$157B Payments - online

\$152B Other merchant services

\$459B Payments - offline



\$404B

Revenue SAM

Core geographies

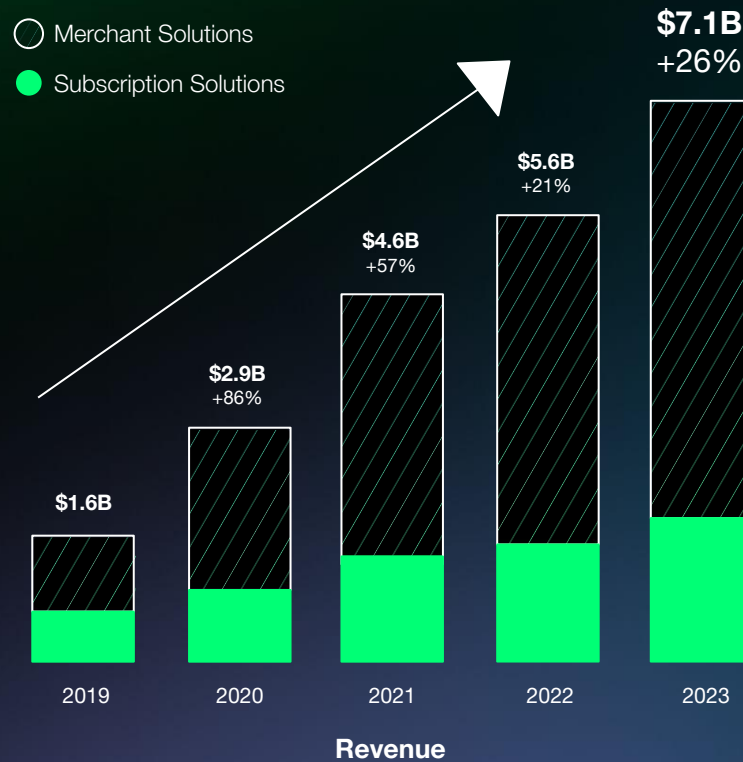
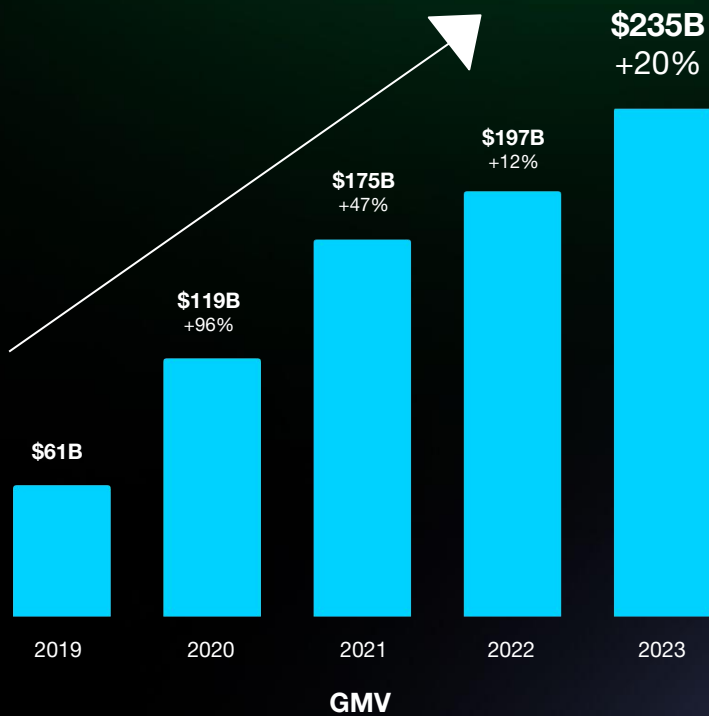
2% penetrated



Annual financials

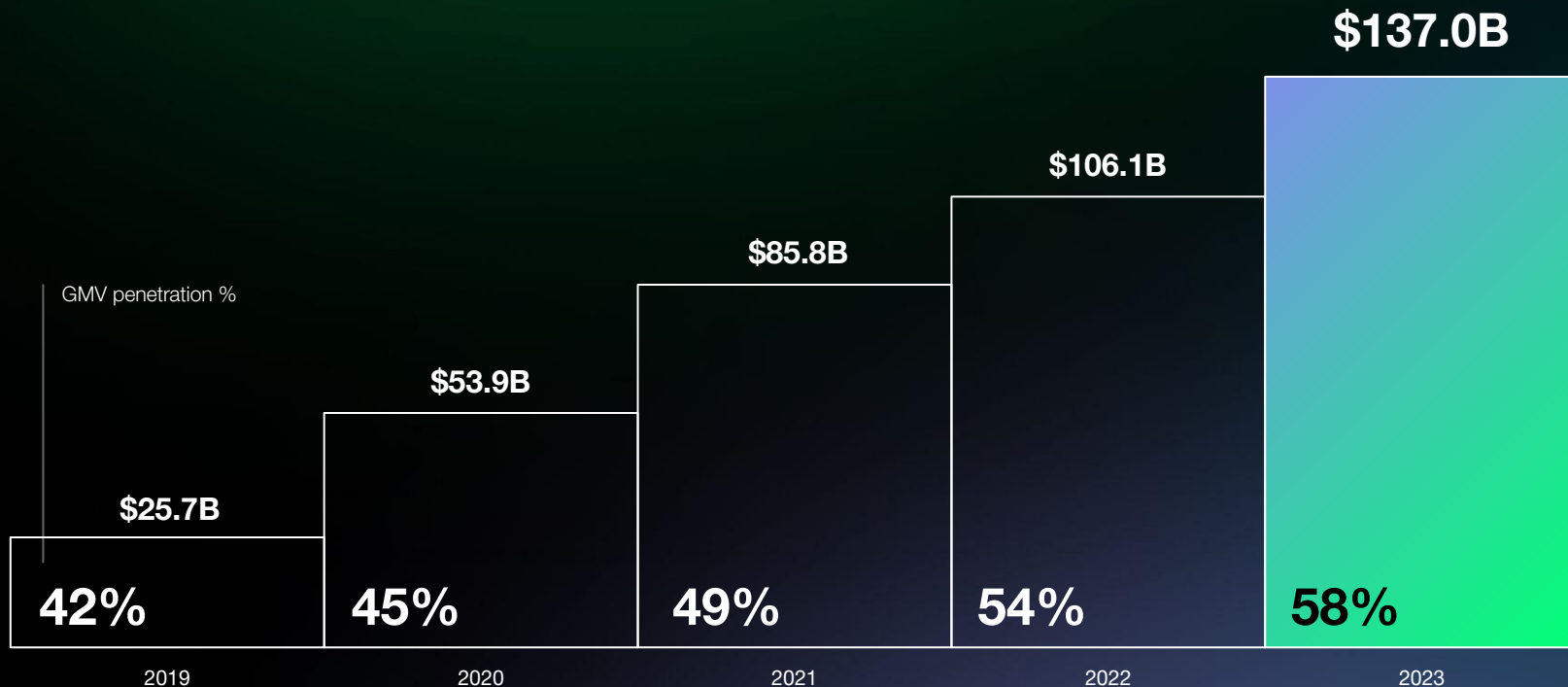
When our merchants become
more successful, **Shopify**
becomes more successful

Helping our merchants grow their business **drives our business**



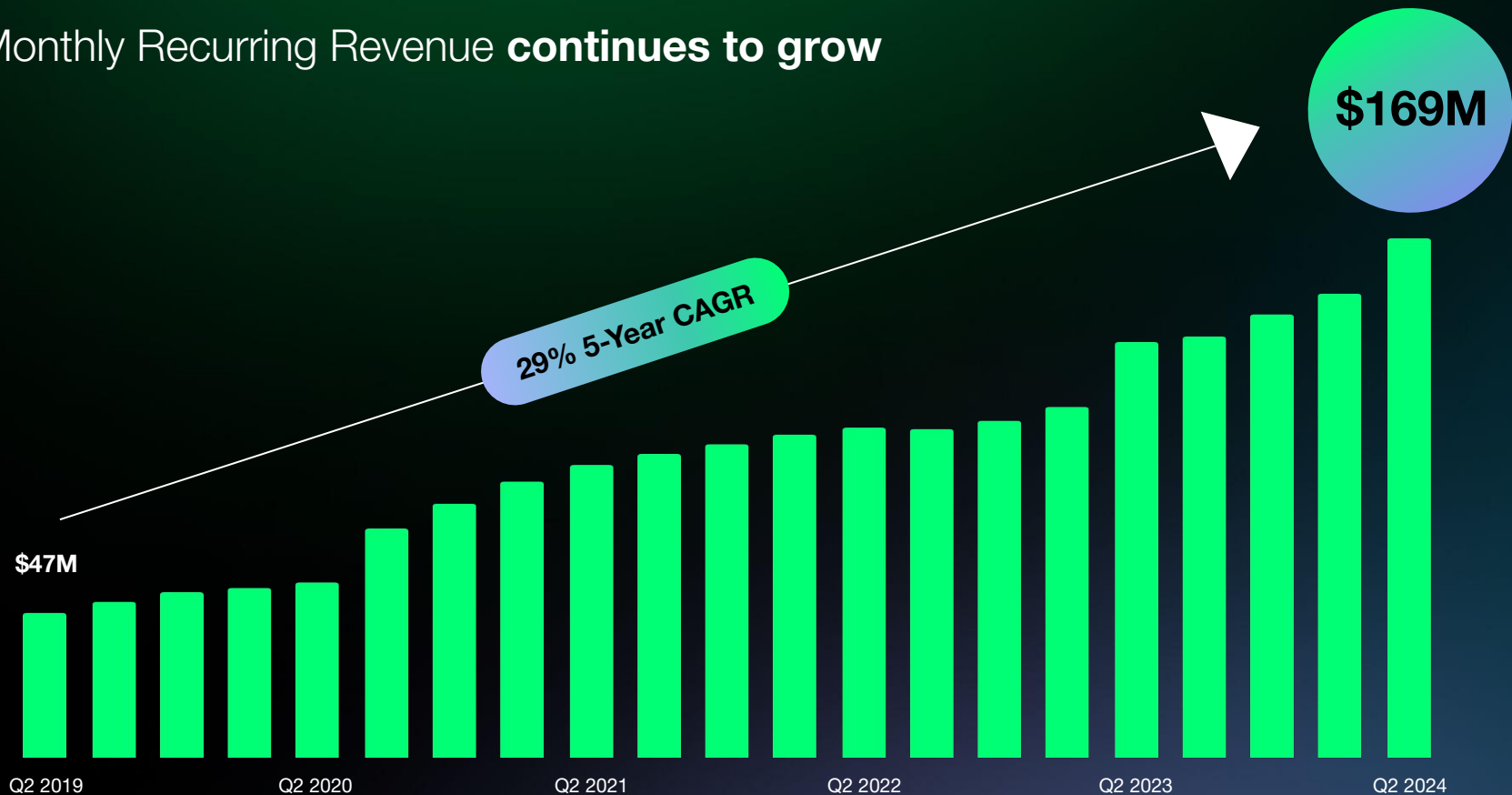
Shopify Payments penetration **continues to increase over time**

Gross Payments Volume (GPV)*



*Gross Payments Volume, or GPV, is the amount of GMV processed through Shopify Payments

Monthly Recurring Revenue **continues to grow**

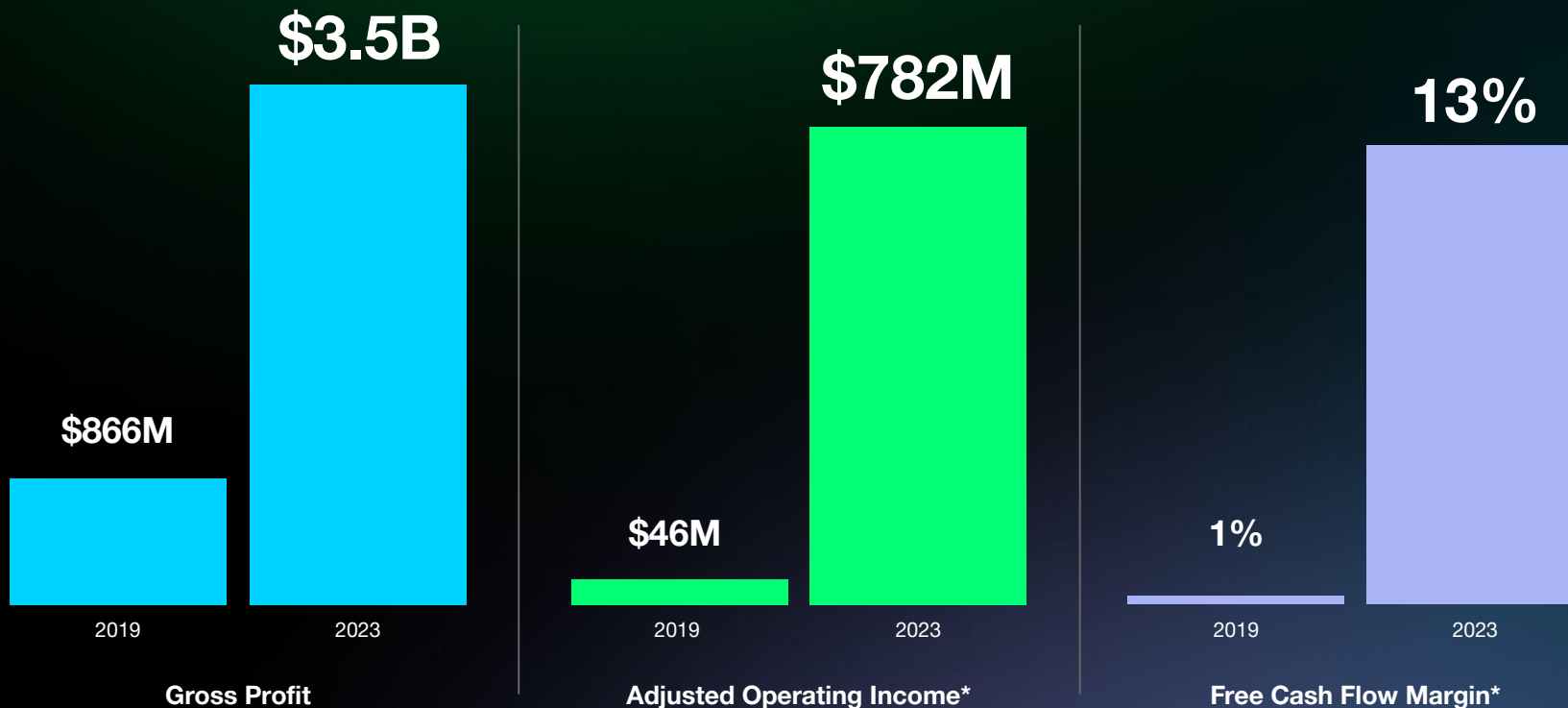


* Monthly Recurring Revenue, or MRR, is calculated at the end of each period by multiplying the number of merchants who have subscription plans with us at the period end date by the average monthly subscription plan fee in effect on the last day of that period, assuming they maintain their subscription plans the following month. In Q1 2024, Shopify revised the inclusion of paid trials in the calculation of MRR. Revised MRR for Q1 2023, Q2 2023, Q3 2023, and Q4 2023 were \$114 million, \$135 million, \$137 million, \$144 million, respectively.



Enabling a compelling business model of **growth and profitability**

Delivering gross profit dollar growth balanced with disciplined investment to fuel innovation and enable our flywheel



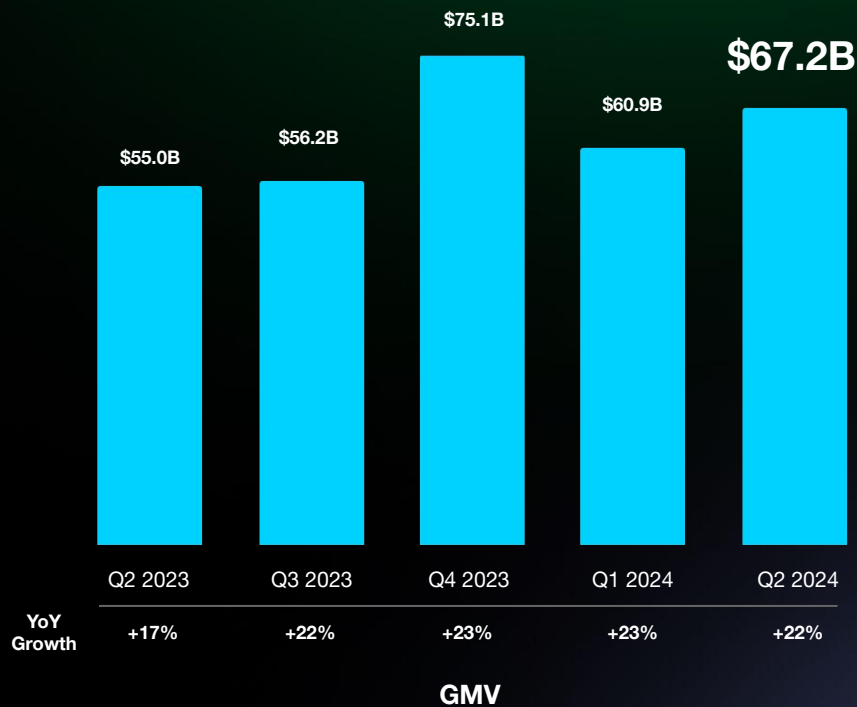
*Adjusted Operating Income and Free Cash Flow Margin are non-GAAP financial measures. See "Non-GAAP and Other Financial Measures" in the Appendix for more information.



Quarterly financials

When our merchants become
more successful, **Shopify**
becomes more successful

Q2 continued to deliver **strong growth** across GMV and Revenue



Shopify Payments penetration **continues to grow**, hitting 61% in Q2

Gross Payments Volume (GPV)*

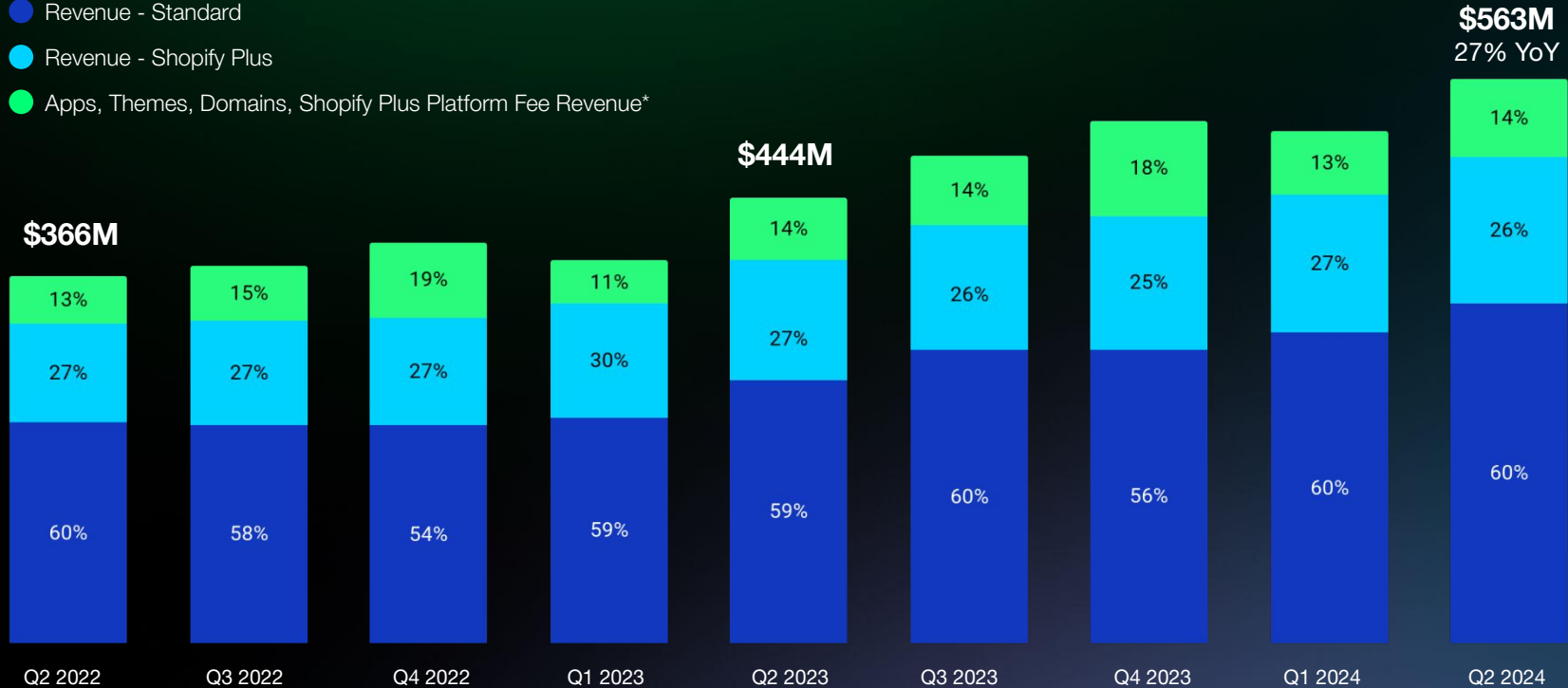


*Gross Payments Volume, or GPV, is the amount of GMV processed through Shopify Payments.

Subscription Solutions revenue **continues to increase year-over-year**

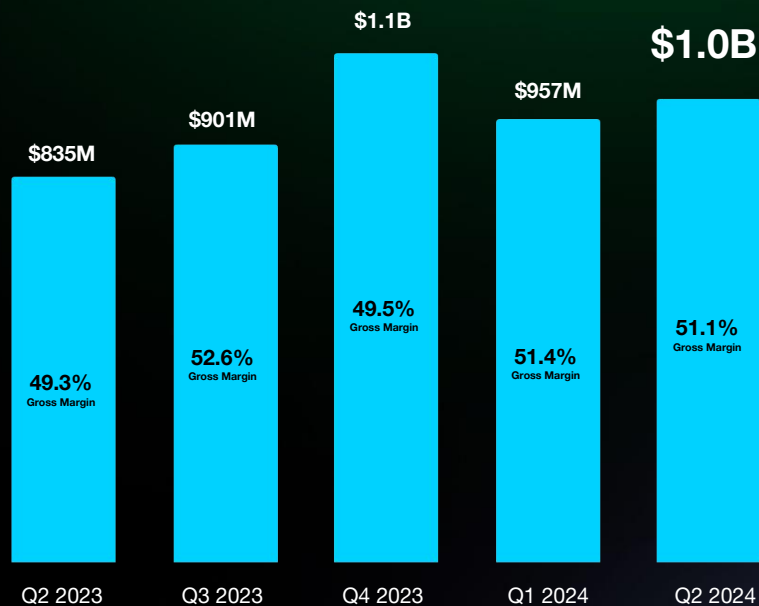
Consistent growth across our ecosystem and plans

- Revenue - Standard
- Revenue - Shopify Plus
- Apps, Themes, Domains, Shopify Plus Platform Fee Revenue*

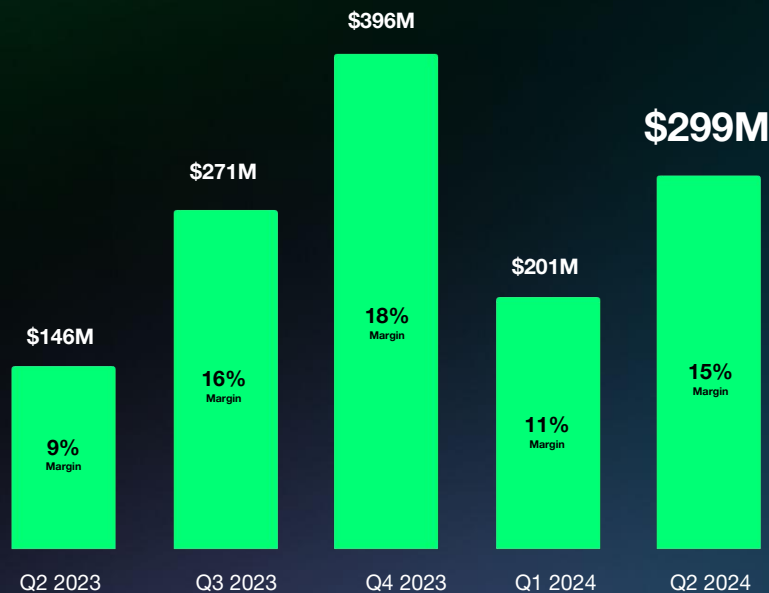


*Approximate Apps, Themes, Domains, Shopify Plus Platform Fee Revenue is calculated by averaging current and previous quarter MRR, multiplying by 3 and subtracting total from Subscription Solutions revenue. Numbers may not foot due to rounding.

Delivering **sustained and growing profitability**



Gross Profit

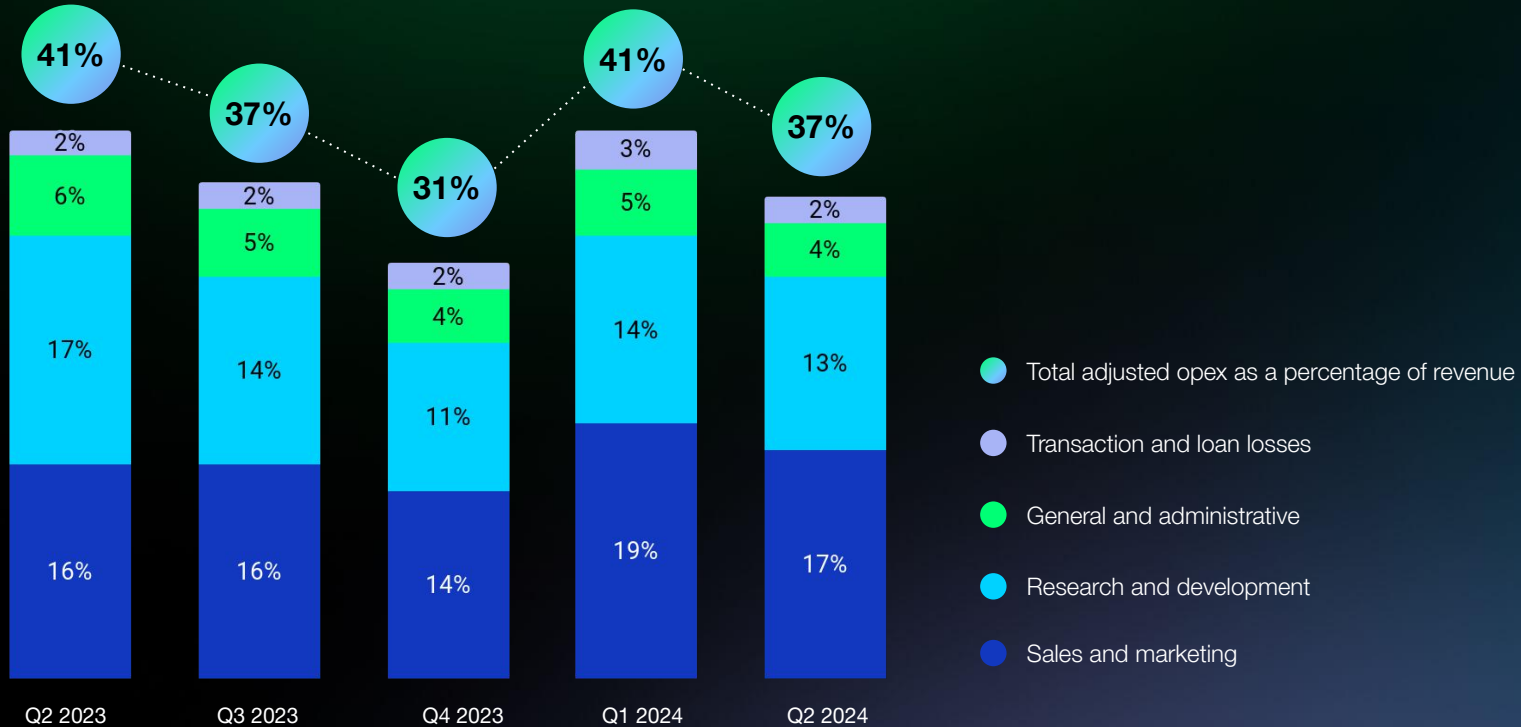


Adjusted Operating Income*



*Adjusted Operating Income is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" in the Appendix for more information.

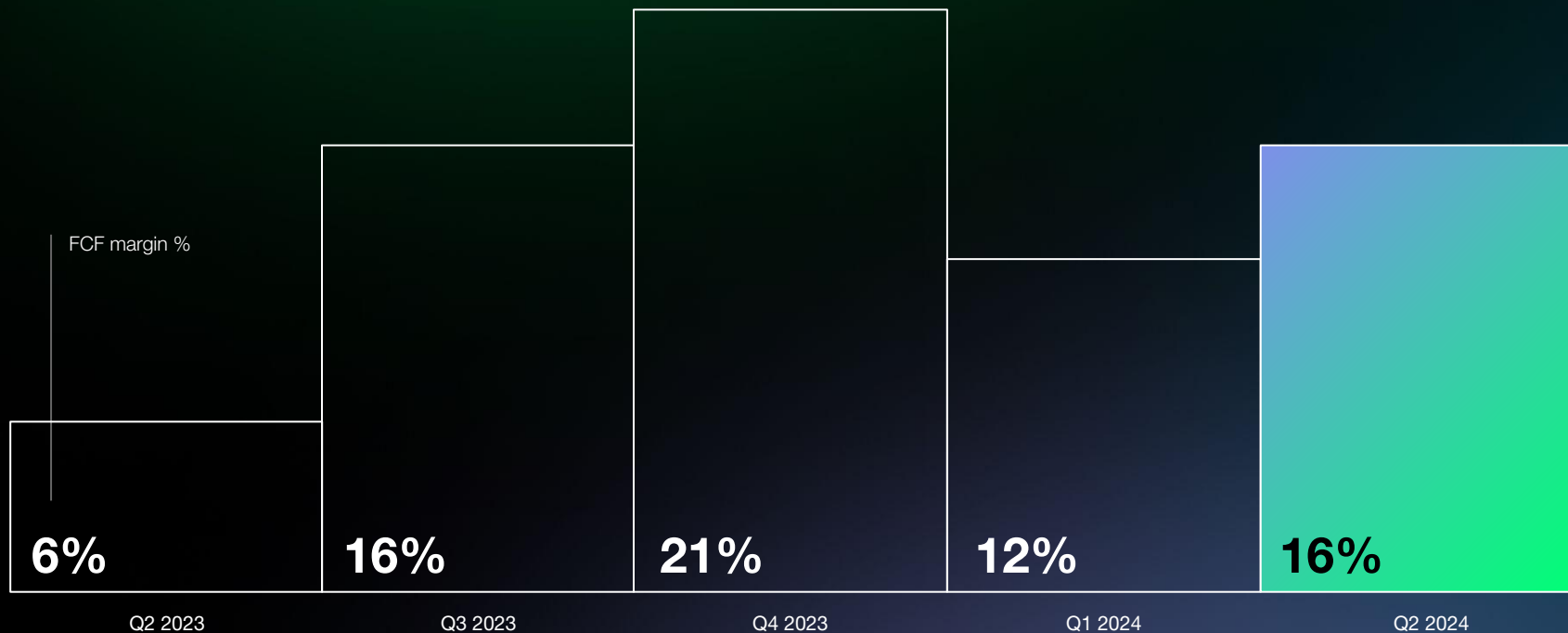
Committed to driving **operating leverage** balanced with key investments to support our long-term growth



* Chart depicts Operating Leverage, which is measured using Adjusted Operating Expenses (Opex) as a percentage of revenue. Operating Leverage is a non-GAAP ratio. See "Non-GAAP and Other Financial Measures" in the Appendix for more information. Numbers may not foot due to rounding.



Q2 free cash flow margin more than doubled year-over-year, **delivering fourth consecutive quarter of double-digit free cash flow margin**





We have **multiple drivers of growth**

We will continue to evolve our product portfolio to **help merchants of all sizes address every corner of commerce**



← **Add** → ← **Expand** → ← **Innovate** →

Offline + unified commerce

Offline is gaining momentum and is expected to be a **key growth driver in 2024 and beyond**

At a glance

\$441M

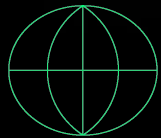
Offline revenue in 2023*

5x

2023 offline revenue from 2019

1,000+

POS location capacity



14 countries

POS hardware with integrated Payments

Q2 2024

+27%

Offline GMV growth YoY



Launched **POS Terminal** in 8 additional countries

\$100B+

Cumulative offline GMV since launch of Shopify POS



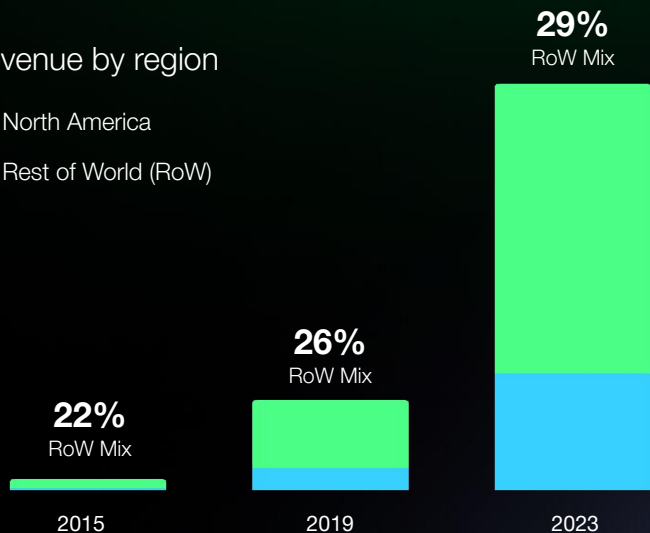
*Offline revenue includes revenue from Shopify Payments for offline, POS Pro, Retail Plan subscriptions, and POS hardware

International

We continue to localize our platform and feature set to merchants across the globe, **lowering the barriers to entrepreneurship**

Revenue by region

- North America
- Rest of World (RoW)



32%

GMV growth in Europe
in Q2 2024

14%

Cross-border GMV
in Q2 2024

While we have expanded our products into multiple markets, we are still in **early stages of growth**

- ▶ **23 countries**
Shopify Payments
- ▶ **7 countries**
Shopify Shipping
- ▶ **14 countries**
Shopify POS with
integrated Payments
- ▶ **4 countries**
Shopify Capital
- ▶ **+ And many more...**

International brands who have recently joined Shopify

LUXOTTICA®

INTERSPORT®

PUCCI

on



ami
alexandre mattiussi



Enterprise

Our enterprise-level offerings, **whether full-stack, headless, or composable**, are gaining widespread recognition built on a powerful go-to-market strategy

Industry recognition

2023

- + GARTNER Magic Quadrant for Digital Commerce - **Leader**
- + G2 Grid for Retail POS - **Leader**
- + IDC - **Leader in mid-market**

2024

- + Independent study confirmed - **Best TCO in commerce***
- + Forrester Wave Report - **Leader in B2B**

Building powerful partnerships

IBM

KPMG

WPP

EY

Globant

TOTVS

ORACLE

High-volume brands who have said yes to Shopify

Carrier

ABG AUTHENTIC BRANDS GROUP

BODEN

SUNTORY

BARK-BOX

HARRY'S



TSI HOLDINGS

Expand with our merchants

Cross-sell

Go-to-market enhancements are **enabling greater ability to cross-sell merchant solutions** that are designed to help our customers succeed - at every stage of growth and complexity

 *shopify* capital

 *shopify* payments

 **MANAGED MARKETS***

 *shopify* audiences

CROSS-BORDER

INSTALLMENTS

SHOP PAY

CAPITAL

BALANCE

SHIPPING

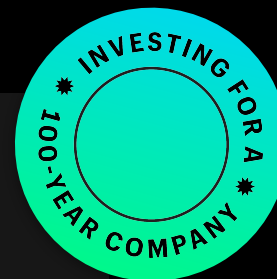
B2B

POS PRO

TAX



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



Multiple vectors for growth

Growth opportunities across merchant segments, geographies, channels, and products

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.



Appendix

Non-GAAP and other financial measures

Non-GAAP and other 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 and other financial measures to provide additional information in order to assist investors in understanding our financial and operating performance. These 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.

Adjusted gross profit, adjusted operating expenses, and adjusted operating income (loss) 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 and adjusted operating income (loss), accelerated stock-based compensation, severance, impairment of right-of-use assets and leasehold improvements, provisions associated with litigation-related accruals and impairment on sales of Shopify's logistics businesses. Operating leverage is a non-GAAP ratio that is calculated by dividing adjusted operating expenses by revenue. Free cash flow is a non-GAAP financial measure calculated as cash flow from operations less capital expenditures. Free cash flow margin is a non-GAAP ratio calculated as free cash flow divided by revenue. Shopify considers free cash flow and free cash flow margin as indicators of the efficiency and liquidity of Shopify's business, showing cash available after capital expenditures, to make strategic investments and drive future growth.

Management uses non-GAAP and other financial measures internally for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Shopify believes that these 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. The non-GAAP and other financial measures used herein should be considered a supplement to, and not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.

August 2024

Reconciliation of GAAP to non-GAAP figures

Expressed in US millions \$, except percentages

	2019	2020	2021	2022	2023	Q2'23	Q2'24
GAAP Gross profit	866	1,542	2,481	2,754	3,515	835	1,045
add: SBC and related payroll taxes	4	7	8	9	4	1	3
add: Amortization of acquired intangibles	9	19	20	49	35	8	4
Adjusted Gross profit	879	1,568	2,509	2,812	3,554	844	1,052
% of Revenue	56%	54%	54%	50%	50%	50%	51%
GAAP Sales and marketing	473	602	902	1,230	1,220	321	353
less: Sales and marketing SBC and related payroll taxes	38	46	47	65	54	12	10
less: Accelerated stock-based compensation	-	-	-	-	5	1	-
less: Amortization of acquired intangibles	1	2	2	5	3	1	-
less: Severance related costs	-	-	-	11	28	28	-
Adjusted Sales and marketing	434	554	853	1,149	1,130	279	343
% of Revenue	28%	19%	18%	21%	16%	16%	17%

Expressed in US millions \$, except percentages

	2019	2020	2021	2022	2023	Q2'23	Q2'24
GAAP Research and development	355	552	854	1,503	1,730	648	349
less: Research and development SBC and related payroll taxes	105	188	251	396	333	88	73
less: Accelerated stock-based compensation	-	-	-	-	164	164	-
less: Severance related costs	-	-	-	8	102	102	-
Adjusted Research and development	250	364	603	1,099	1,131	294	276
% of Revenue	16%	12%	13%	20%	16%	17%	13%
GAAP General and administrative	154	245	375	708	491	131	60
less: General and administrative SBC and related payroll taxes	30	52	91	93	76	19	23
less: Impairment of right-of-use assets and leasehold improvements	-	32	30	84	38	-	-
less: Severance related costs	-	-	-	11	18	18	-
less: Litigation contingencies / benefit related to legal contingencies	-	-	-	97	-	-	(55)
Adjusted General and administrative	124	161	254	423	359	94	92
% of Revenue	8%	6%	5%	8%	5%	6%	4%

Expressed in US millions \$, except percentages	2019	2020	2021	2022	2023	Q2'23	Q2'24
GAAP Transaction and loan losses	25	52	82	135	152	31	42
% of Revenue	2%	2%	2%	2%	2%	2%	2%
GAAP Operating expenses	1,007	1,451	2,213	3,576	4,933	2,471	804
less: Operating SBC and related payroll taxes	173	286	389	554	463	119	106
less: Accelerated stock-based compensation	-	-	-	-	169	165	-
less: Amortization of acquired intangibles	1	2	2	5	3	1	-
less: Impairment of right-of-use assets and leasehold improvements	-	32	30	84	38	-	-
less: Severance related costs	-	-	-	30	148	148	-
less: Litigation contingencies / benefit related to legal contingencies	-	-	-	97	-	-	(55)
less: Impairment on sale of Shopify's logistics businesses	-	-	-	-	1,340	1,340	-
Adjusted Operating expenses	833	1,131	1,792	2,806	2,772	698	753
% of Revenue	53%	39%	39%	50%	39%	41%	37%

Expressed in US millions \$, except percentages	2019	2020	2021	2022	2023	Q2'23	Q2'24
GAAP Operating income (loss)	(141)	90	269	(822)	(1,418)	(1,636)	241
add: Operating SBC and related payroll taxes	177	294	397	563	467	120	109
add: Accelerated stock-based compensation	-	-	-	-	169	165	-
add: Amortization of acquired intangibles	10	21	22	54	38	9	4
add: Impairment of right-of-use assets and leasehold improvements	-	32	30	84	38	-	-
add: Severance related costs	-	-	-	30	148	148	-
add: Litigation contingencies / benefit related to legal contingencies	-	-	-	97	-	-	(55)
add: Impairment on sale of Shopify' logistics businesses	-	-	-	-	1,340	1,340	-
Adjusted Operating income (loss)	46	437	718	6	782	146	299
% of Revenue	3%	15%	16%	0%	11%	9%	15%

Reconciliation of free cash flow

Expressed in US millions \$, except percentages	2019	2020	2021	2022	2023	Q2'23	Q2'24
Net cash provided by (used in) operating activities	71	425	535	(136)	944	118	340
less: Capital expenditures*	(57)	(42)	(51)	(50)	(39)	(21)	(7)
Free cash flow	14	383	484	(186)	905	97	333
Revenue	1,578	2,929	4,612	5,600	7,060	1,694	2,045
Free cash flow margin	1%	13%	11%	(3)%	13%	6%	16%

* Capital expenditures is equivalent to the amount included in "purchases of property and equipment" on our Condensed Consolidated Statement of Cash Flows for the reported period.



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