Leading the future of commerce

May 4, 2023
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 Q1 2023 earnings release, and in our Management’s Discussion and Analysis and in the section entitled “Risk Factors” in our Annual Information Form disclosed previously and 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 available on www.sec.gov and on www.sedar.com. 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 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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May 2023
$1.5B
Revenue in Q1 (up 25% YoY)

$700B
Global commerce since Shopify's inception

10%
US ecommerce market share* and expect further penetration

~561M
Unique online shoppers purchasing from Shopify merchants in 2022

Millions
of merchants in +175 Countries

*Source: US Census Bureau
Shopify market share based on Shopify’s 2022 US GMV (excluding merchant sales made through POS)
We’ve been focused on becoming the 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 80%** 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.
Merchant-first focus through product innovation

Lowering barriers, simplifying operations, catalyzing merchant sales
We solve the **biggest challenges** in commerce

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

- **Access to funding**
  - Shopify Capital
    - Started H1 2016

- **Omni-channel capabilities**
  - Shopify POS Pro
    - Started H2 2020

- **Customer acquisition**
  - Shopify Audiences
    - Launched H1 2022

- **Go Global**
  - Shopify Markets Pro
    - Launched H2 2022
Shopify flywheel propels our success and business model into the future
Shopify is built to support merchants at each stage of growth.
No need for merchants to ever leave the Shopify platform

Offer solutions for every level of complexity and stage of growth

- **Entrepreneurs**
  - **Starter**
    - $5 per month
  - **Basic**
    - $39 per month*
  - **Advanced**
    - $399 per month*

- **SMBs**
  - **Shopify**
    - $105 per month*
  - **Shopify Plus**
    - $2,000+ per month + variable platform fee

- **Larger Brands**

Selected Brands

*Pricing change effective for new merchants January 2023 and for existing merchants April 2023

Homegrown / upgraded merchant
**Commerce Components**

by Shopify

A modern composable stack that lets brands choose the modular components they want and integrate them with their existing systems and services.

**System integrator partners**

- Accenture
- EY
- Deloitte
- KPMG
- Cognizant
- IBM
buyers opted-in to Shop Pay

Gaining adoption & catalyzing sales through frictionless commerce

$86B cumulative GMV since launch in 2017

$9B GMV in Q1 2023
We offer a **full suite of mission critical solutions** that make it easier for merchants to...

...run and manage a business
- shopify payments
- shopify capital
- shopify balance
- shopify app store
- shopify themes
- shopify shipping
  - Shopify Tax
  - Shopify Protect
  - Shopify Flow
  - Shopify Bill Pay

...sell wherever buyers are
- shopify markets
- shopify markets PRO
- shopify POS
- shopify POS PRO
- POS Go
- B2B on Shopify

...discover new customers
- shopify audiences
- shopify collabs
- link2p by shopify
- Shopify Email
- Shopify Inbox
- Tokengated Commerce

...thrive at any stage
- Starter Plan
- Basic Plan
- Shopify Plan
- Advanced Plan
- shopify plus
- commerce components
- Hydrogen
- Oxygen

Shopify Bill Pay

Installments in partnership with affirm
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.

- **10,000+** Apps in our App Store (December 31, 2022)
- **$561M** Paid out in the last 12 months to partners by Shopify for apps benefiting our merchants (December 31, 2022)
- **$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:
- Google
- Apple
- Meta
- Pinterest
- Twitter
- TikTok

### Product partners:
- affirm
- Global
- klaviyo
- stripe
- flexport
- INTUIT
- shippo
- PayPal

### System integrator partners:
- accenture
- EY
- Deloitte
- KPMG
- cognizant
- IBM

* 2021 data from The Shopify Effect
From **Hello World to IPO**

FIGS + Shopify

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

FIGS launches on the Shopify Standard Plan


International Expansion (Canada, UK, Australia)

Shopify shipping

Shopify payments

Upgrade to Shopify Plus

2016

Initial Public Offering
Consumers’ favorite brands powered by Shopify

Q1 Brands

SPANX  GYMSHARK  PRIME  LeSportsac  Ashley Homestore  MATTEL
MOLSON COORS  allbirds  REBECCA MINKOFF  bauer  Tetley  KITH
Mr Beast  jenny CRAIG  KOTN  GOOD AMERICAN  HEINZ  BUBS NATURALS
BOMBAS  SKIMS  leesa  FASHION NOVA  Lord & Taylor
Glossier.  Crate & Barrel  OLLY  GIANT TIGER  STEVE MADDEN
KYLIE  staples  Bools  JB HI-FI  Nestle
LOVED 818
“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

“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

“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

*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 Q4/22) divided by first four full quarters of revenue for each cohort (ie starting in Q2 following each cohort year)

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

<table>
<thead>
<tr>
<th>Sample Cohort</th>
<th>Revenue Growth*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>1.5x</td>
</tr>
<tr>
<td>Q1/17</td>
<td>1.9x</td>
</tr>
<tr>
<td>Q1/15</td>
<td>3.4x</td>
</tr>
</tbody>
</table>
Anatomy of a cohort

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

(represent % of merchants by vertical)

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-focused flywheel generates strong financial performance.
Ecommerce continues to increase off a higher level reset during the pandemic

5M
new business formations in the US in 2021 and 2022
from 4M per year average for the previous 3 years

Source: US Census Bureau
Our success-based business model puts merchants first.

Helping our merchants grow their business drives our business.

GMV

- 2018: $41.1B (+49%)
- 2019: $61.1B
- 2020: $119.6B (+96%)
- 2021: $175.4B (+47%)
- 2022: $197.2B (+12%)

Revenue

- Merchant Solutions
  - 2018: $1.1B (+47%)
  - 2019: $1.6B
  - 2020: $2.9B (+86%)
  - 2021: $4.6B (+57%)
  - 2022: $5.6B (+21%)
- Subscription Solutions

Total GMV: $197.2B
Total Revenue: $5.6B
With a track record of **profitability**

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

*Excludes the effect of stock-based compensation (SBC) expenses and related payroll taxes, amortization of acquired intangibles, employee severance, expense related to litigation matters, unrealized and realized gains and losses on equity and other investments, and real estate-related impairment charges. Adjusted Operating Profit is a non-GAAP measure, see Appendix for reconciliation.
Achieved strong Q1 GMV and revenue growth

Our unified commerce solutions continue to help our merchants succeed.
Strong revenue growth since IPO

Revenue growth driven by more merchants joining the platform and adopting more merchant solutions
Monthly Recurring Revenue has shown **long-term growth**

*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 continues to increase

*Gross Payments Volume (GPV) is the amount of GMV processed through Shopify Payments.
Subscription solutions revenue continues to grow year-over-year

Consistent growth across our Shopify ecosystem and plans

- Apps, Themes, Domains, Shopify Plus Platform Fee Revenue*
- Monthly Recurring Revenue - Shopify Plus
- Monthly Recurring Revenue - Core

![Chart showing growth across Q2 2021 to Q1 2023 with percentages and values].

*$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.
Sustained gross profit dollar growth balanced with investments

Gross Profit

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Gross Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2022</td>
<td>$656M</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>$662M</td>
</tr>
<tr>
<td>Q4 2022</td>
<td>$799M</td>
</tr>
<tr>
<td>Q1 2023</td>
<td>$717M</td>
</tr>
</tbody>
</table>

Adjusted Operating Profit/(Loss)*

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Adjusted Operating Profit/(Loss)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2022</td>
<td>($42M)</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>($45M)</td>
</tr>
<tr>
<td>Q4 2022</td>
<td>$61M</td>
</tr>
<tr>
<td>Q1 2023</td>
<td>($31M)</td>
</tr>
</tbody>
</table>

*Excludes the effect of stock-based compensation (SBC) expenses and related payroll taxes, employee severance, expense related to legal contingencies, real estate-related impairment charges and amortization of acquired intangibles. Adjusted operating profit/loss is a non-GAAP measures, see Appendix for reconciliation.
Committed to improving our operational efficiency to drive long-term growth.

Chart depicts operating leverage, which is measured using Adjusted Operating Expenses (Opex) 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, real estate-related impairment charges, 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.
Delivered **positive free cash flow** in Q1

*Free cash flow is defined as cash from operations less capital expenditures.*
Q1 total attach rate reaches highest level in company history

Total Attach Rate\(^1\)

1 Total attach rate is defined as revenue divided by GMV
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
Multiple vectors for growth

- Grow our base of merchants
- Grow with our merchants
- Product innovation and platform expansion
## Grow our base of merchants

<table>
<thead>
<tr>
<th>Entrepreneurs &amp; SMBs</th>
<th>Larger brands &amp; enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Brand awareness-driven campaigns</td>
<td>✓ Direct sales</td>
</tr>
<tr>
<td>✓ Education</td>
<td>✓ Modularized CCS</td>
</tr>
<tr>
<td>✓ Free and paid trial experiences</td>
<td>✓ Partners and affiliates</td>
</tr>
<tr>
<td>✓ Localized subscription pricing</td>
<td>✓ Self-serve onboarding</td>
</tr>
<tr>
<td>✓ Marketing and advertising</td>
<td>✓ System integrators</td>
</tr>
<tr>
<td>✓ Partners and affiliates</td>
<td></td>
</tr>
<tr>
<td>✓ Word of mouth</td>
<td></td>
</tr>
</tbody>
</table>
Grow with our merchants

Cross-sell more solutions

- **Shop Pay and Shop Pay Installments**: Increase conversion and simplify the buying process for customers through fast and low-friction checkout
- **Shopify Capital**: Help merchants obtain funds faster and cheaper than traditional banks
- **Shopify Markets**: Enable merchants to sell internationally

Upgrade to Plus

- **Funnel effect** to Plus
- Compelling new features **only available on Plus** including Shopify Audiences and B2B on Shopify

Pursue new segments & geographies

- **Enterprise**: Attracting enterprise-level merchants with launch of Commerce Components by Shopify
- **B2B**: Wholesale is large opportunity beyond D2C
- **Physical retail**: Still primary channel for commerce
- **International**: Expanding beyond the US and Canada
Grow with our merchants

Expand our geographic reach: We continue to localize our platform and feature set to merchants across the globe, lowering the barriers to entrepreneurship.

Then

When Shopify went public in 2015, we only had a few products in a couple markets

- Shopify Payments in 4 countries
- Shopify POS with integrated Payments in 2 countries
- Shopify Shipping in 1 country

Now

While we have grown into multiple products in multiple markets, we are still in early stages of growth

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

*Graphic is for illustrative purposes only and does not reflect all countries Shopify operates in*
Product innovation and platform expansion

A culture of innovators and builders focused on speed, agility, and creating the products to help our merchants succeed.

- Introduced retail hardware with integrated payments to 6 countries (2022)
- Launched Shopify Protect
- Launched Shopify Payments to 5 countries
- Launched Tokengated Commerce
- Expanded B2B offering with B2B on Shopify
- Acquired Deliver
- Launched Tap to Pay on iPhone
- Introduced localized subscription pricing to +175 countries
- Acquired Shopify Capitol
- Launched Shopify Tax
- Launched Shopify Markets PRO
- Launched POS Go
- Launched Shopify Collabs
- Launched Shopify SHIP
- Launched Shopify Integration
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.
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, severance, litigation con and real estate-related impairment charges.

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.

May 2023
Reconciliation of GAAP to Non-GAAP figures

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1'22</th>
<th>Q1'23</th>
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</thead>
<tbody>
<tr>
<td>GAAP Gross profit</td>
<td>596</td>
<td>866</td>
<td>1,542</td>
<td>2,481</td>
<td>2,754</td>
<td>638</td>
<td>717</td>
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<tr>
<td>add: SBC and SBC-related payroll taxes</td>
<td>3</td>
<td>4</td>
<td>7</td>
<td>8</td>
<td>9</td>
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<tr>
<td>add: Amortization of acquired intangibles</td>
<td>5</td>
<td>9</td>
<td>19</td>
<td>20</td>
<td>49</td>
<td>6</td>
<td>19</td>
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<tr>
<td>Non-GAAP Gross profit</td>
<td>604</td>
<td>879</td>
<td>1,568</td>
<td>2,509</td>
<td>2,812</td>
<td>646</td>
<td>738</td>
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<td>56%</td>
<td>56%</td>
<td>54%</td>
<td>54%</td>
<td>50%</td>
<td>54%</td>
<td>49%</td>
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<td>GAAP Sales and marketing</td>
<td>350</td>
<td>473</td>
<td>602</td>
<td>902</td>
<td>1,230</td>
<td>303</td>
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<td>326</td>
<td>434</td>
<td>554</td>
<td>853</td>
<td>1,149</td>
<td>286</td>
<td>270</td>
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<td>% of Revenue</td>
<td>30%</td>
<td>28%</td>
<td>19%</td>
<td>18%</td>
<td>21%</td>
<td>24%</td>
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<td></td>
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<td>2022</td>
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<td>Q1’23</td>
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<td><strong>GAAP Research and development</strong></td>
<td>231</td>
<td>355</td>
<td>552</td>
<td>854</td>
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<td><strong>Non-GAAP Research and development</strong></td>
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<td>250</td>
<td>364</td>
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<td>1,099</td>
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<td>16%</td>
<td>16%</td>
<td>12%</td>
<td>13%</td>
<td>20%</td>
<td>18%</td>
<td>23%</td>
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<td><strong>GAAP General and administrative</strong></td>
<td>99</td>
<td>154</td>
<td>245</td>
<td>375</td>
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<td>52</td>
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<td>93</td>
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<td>less: Impairment of right-of-use assets and leasehold improvements</td>
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<td>32</td>
<td>30</td>
<td>84</td>
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<td>-</td>
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<tr>
<td><strong>Non-GAAP General and administrative</strong></td>
<td>81</td>
<td>124</td>
<td>161</td>
<td>254</td>
<td>423</td>
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<td><strong>GAAP Transaction and loan losses</strong></td>
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<td>25</td>
<td>52</td>
<td>82</td>
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<tr>
<td>% of Revenue</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>GAAP Operating expenses</strong></td>
<td>688</td>
<td>1,007</td>
<td>1,451</td>
<td>2,213</td>
<td>3,576</td>
<td>736</td>
<td>910</td>
</tr>
<tr>
<td>less: Operating SBC and SBC-related payroll taxes</td>
<td>102</td>
<td>173</td>
<td>286</td>
<td>389</td>
<td>554</td>
<td>121</td>
<td>139</td>
</tr>
<tr>
<td>less: Amortization of acquired intangibles</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>less: Impairment of right-of-use assets and leasehold improvements</td>
<td>-</td>
<td>-</td>
<td>32</td>
<td>30</td>
<td>84</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>less: Severance related costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>30</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>less: Litigation contingencies</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>97</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Non-GAAP Operating expenses</strong></td>
<td>586</td>
<td>833</td>
<td>1,131</td>
<td>1,792</td>
<td>2,806</td>
<td>614</td>
<td>769</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>55%</td>
<td>53%</td>
<td>39%</td>
<td>39%</td>
<td>50%</td>
<td>51%</td>
<td>51%</td>
</tr>
</tbody>
</table>
### Reconciliation of free cash flow

<table>
<thead>
<tr>
<th>Period</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Q1’22</th>
<th>Q1’23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>9</td>
<td>71</td>
<td>425</td>
<td>535</td>
<td>(136)</td>
<td>(25)</td>
<td>100</td>
</tr>
<tr>
<td>less: Capital expenditures&lt;sup&gt;2&lt;/sup&gt;</td>
<td>(28)</td>
<td>(57)</td>
<td>(42)</td>
<td>(51)</td>
<td>(50)</td>
<td>(16)</td>
<td>(14)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(19)</td>
<td>14</td>
<td>383</td>
<td>484</td>
<td>(186)</td>
<td>(41)</td>
<td>86</td>
</tr>
</tbody>
</table>

<sup>1</sup> Comparative figures have been reclassified in order to conform to the period presentation.

<sup>2</sup> Capital expenditures is equivalent to the amount included in “acquisition of property and equipment” on our Condensed Consolidated Statement of Cash Flows for the reported period.
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