



Leading the **future of commerce**

May 4, 2023



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 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

SHOPIFY IN 2023



\$1.5B

Revenue in Q1
(up 25% YoY)



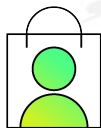
\$700B

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

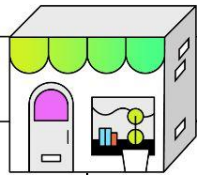
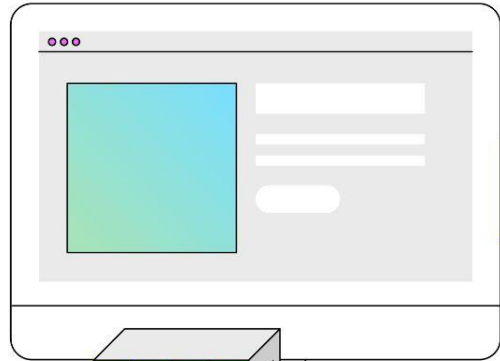
Shopify market share based on Shopify's 2022 US GMV (excluding merchant sales made through POS)

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

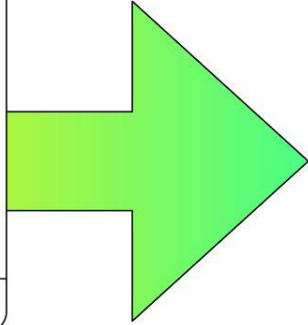
We started online and **built a commerce platform** that helps merchants sell everywhere their customers are

Over 80% of our merchants have installed two or more channels

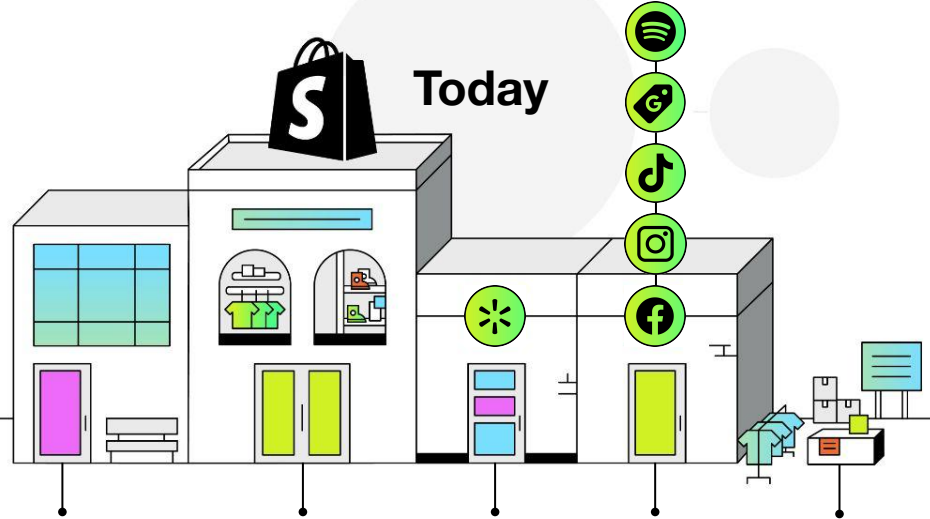
2006



Online



Today



B2B

Brick & Mortar

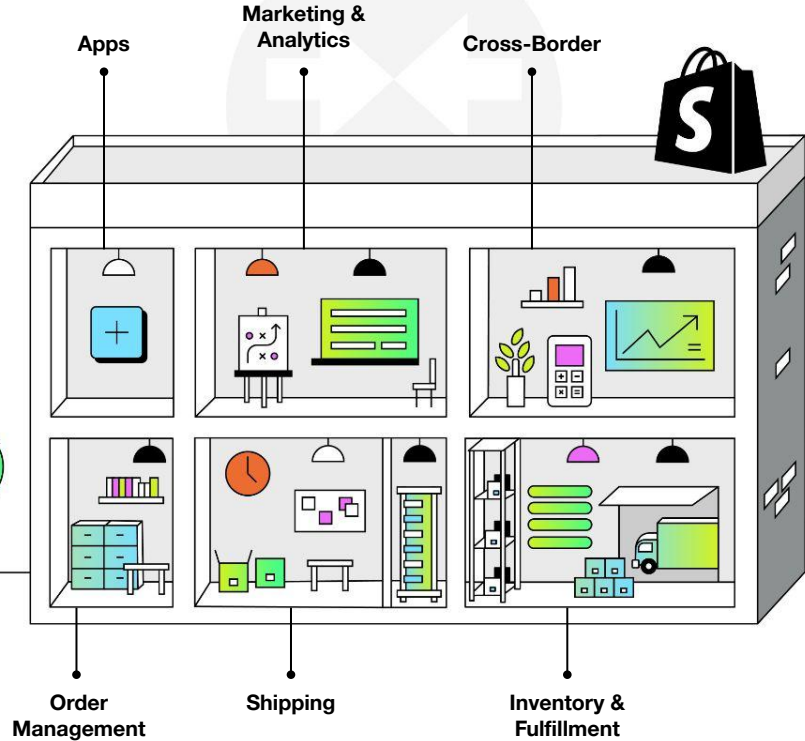
Marketplaces

Social

Pop-ups

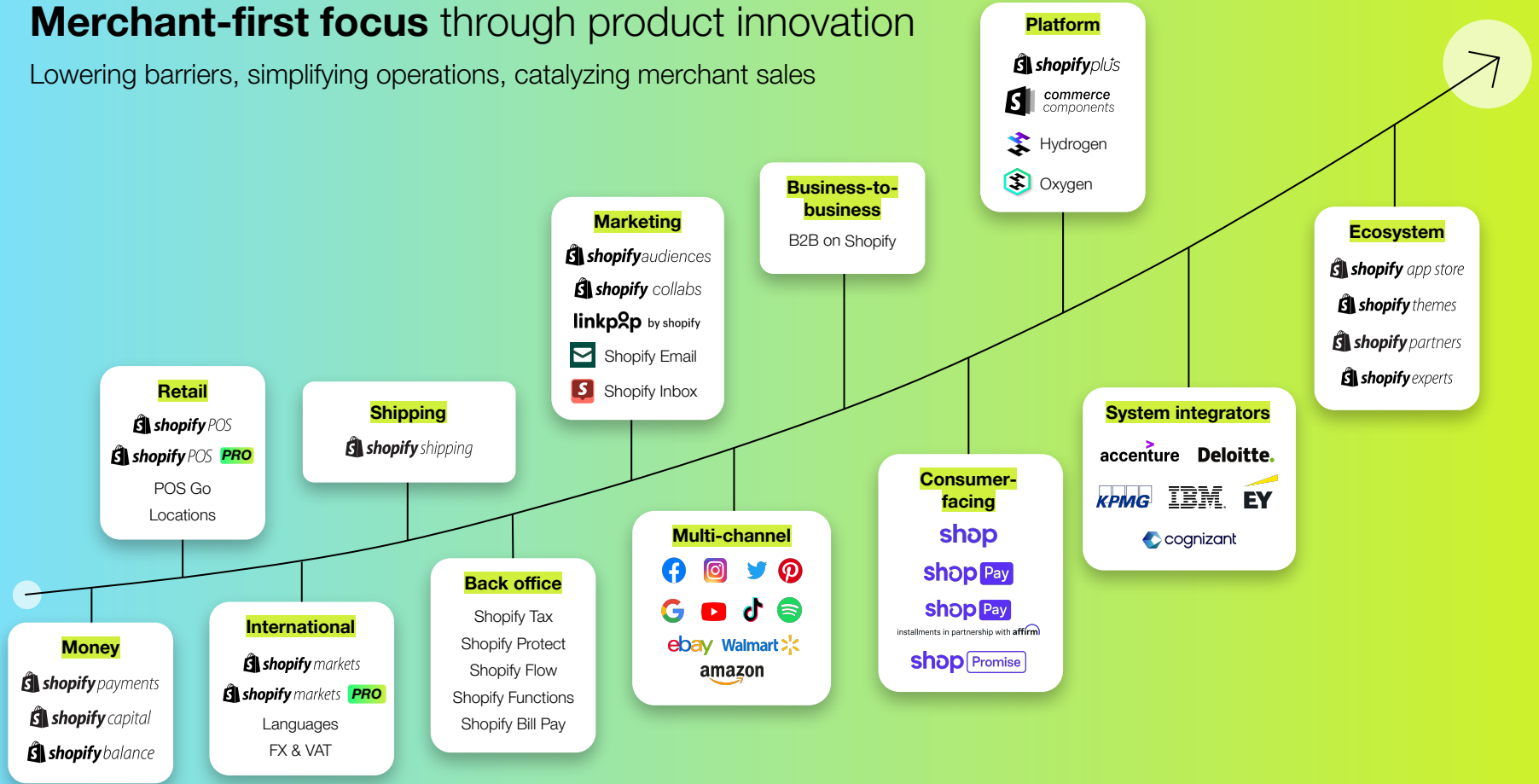
We continue to expand Shopify's breadth

to make it even easier for merchants to start and scale their business



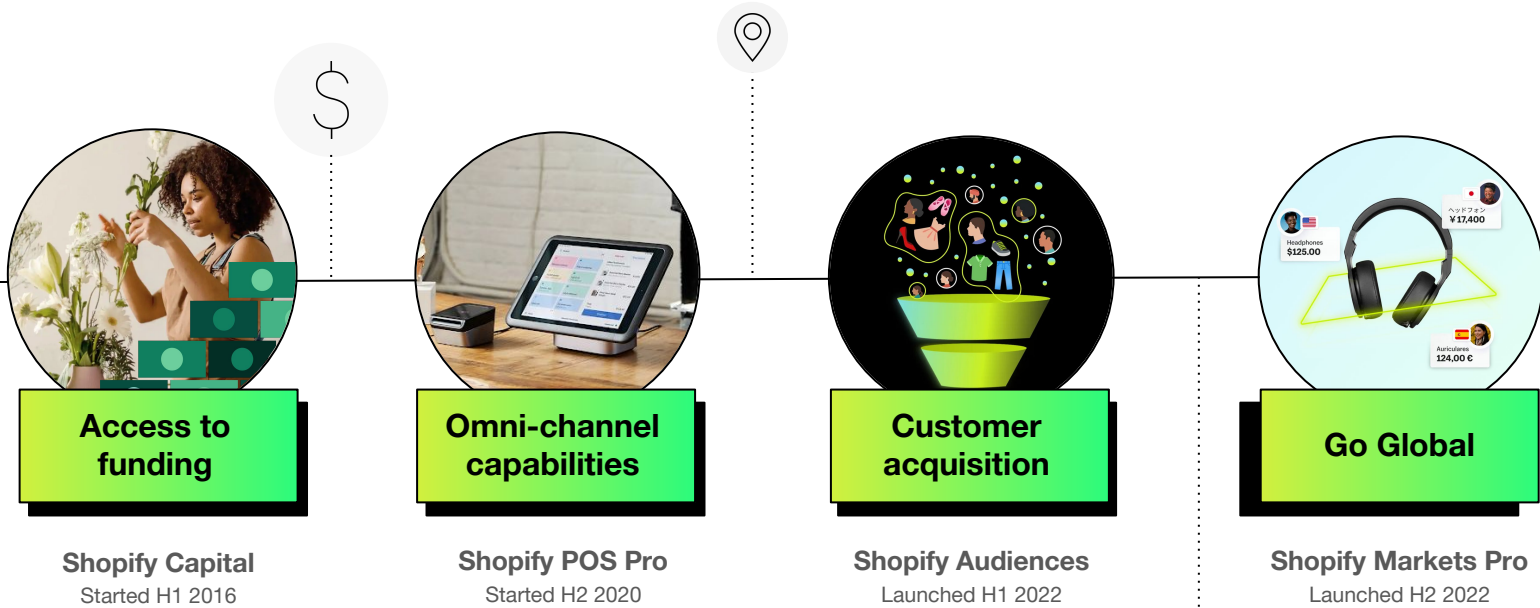
Merchant-first focus through product innovation

Lowering barriers, simplifying operations, catalyzing merchant sales

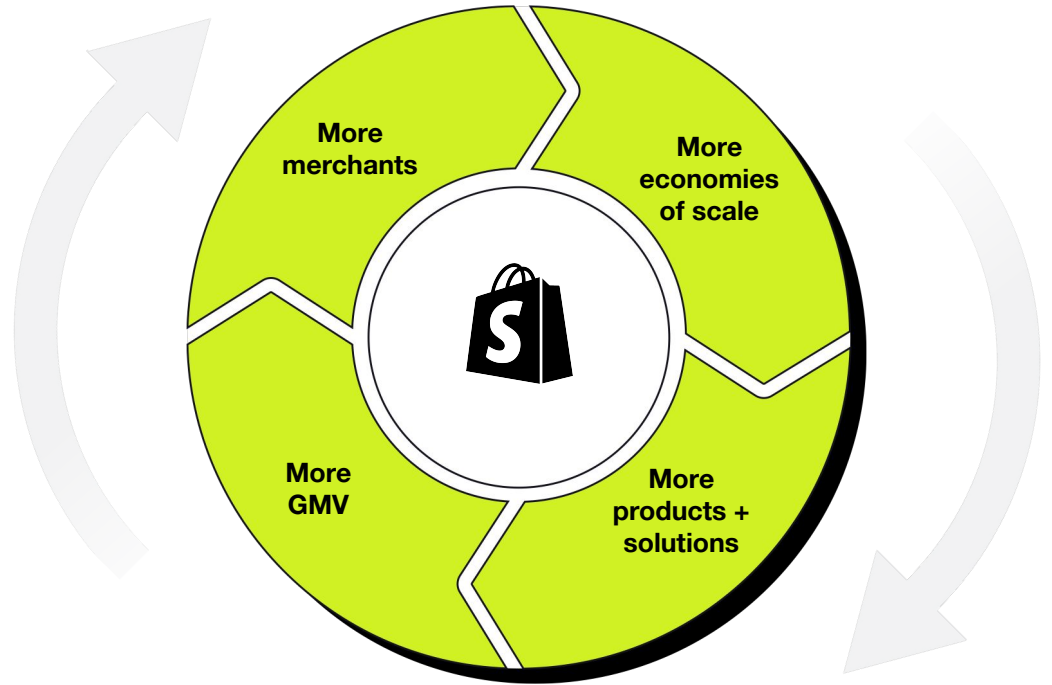


We solve the **biggest challenges** in commerce

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



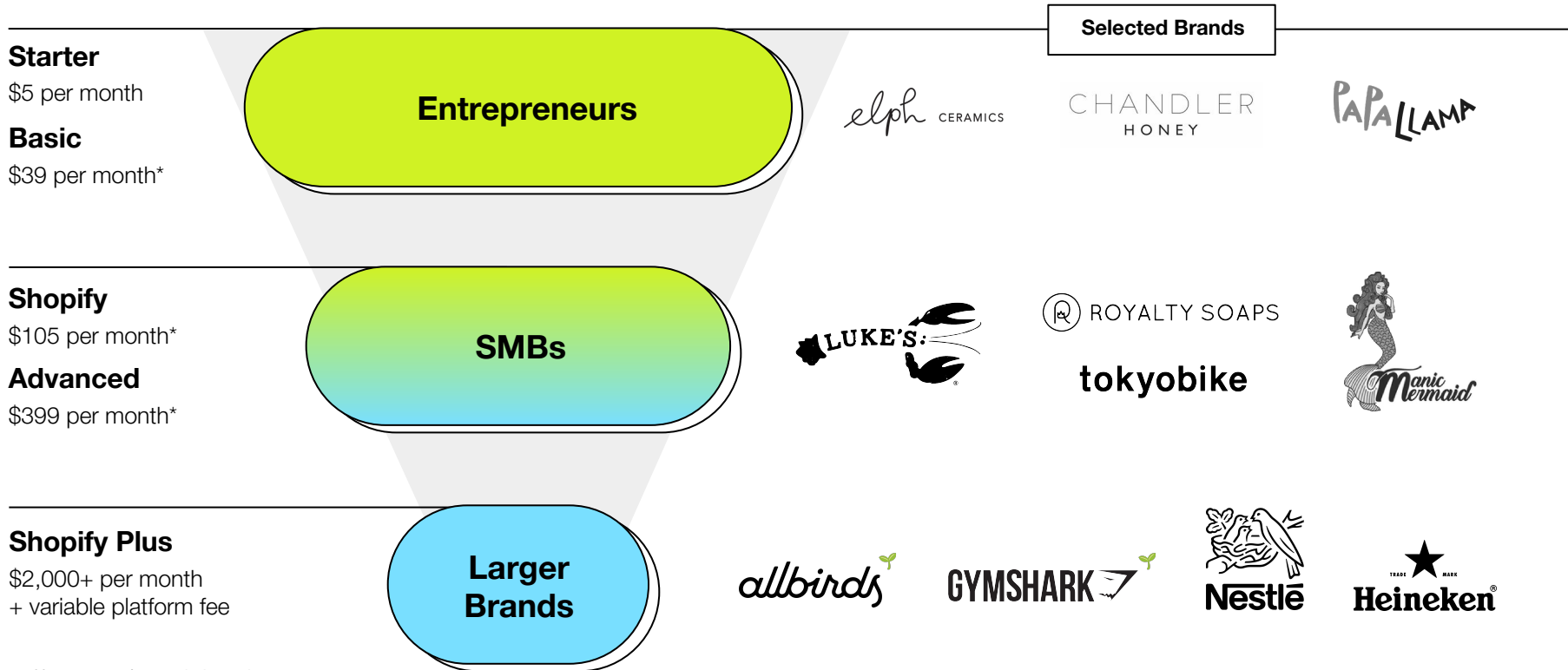
Shopify flywheel
propels our success
and business model
into the future



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



 Homegrown / upgraded merchant

*Pricing change effective for new merchants

January 2023 and for existing merchants April 2023

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.

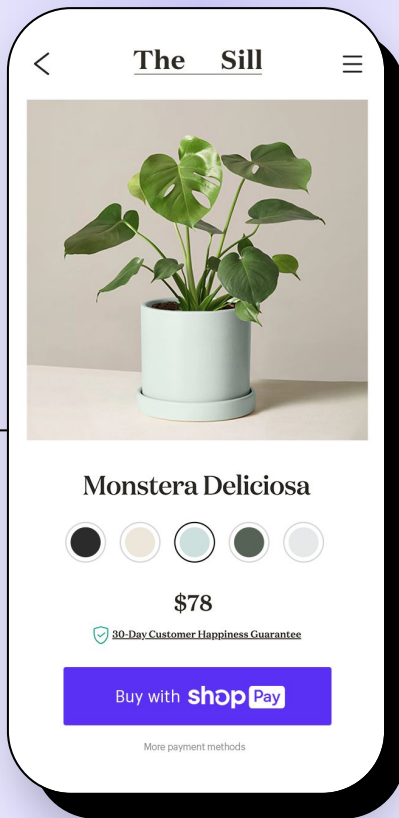


shop Pay

Gaining adoption & catalyzing sales through **frictionless commerce**

100M+

buyers opted-in
to Shop Pay



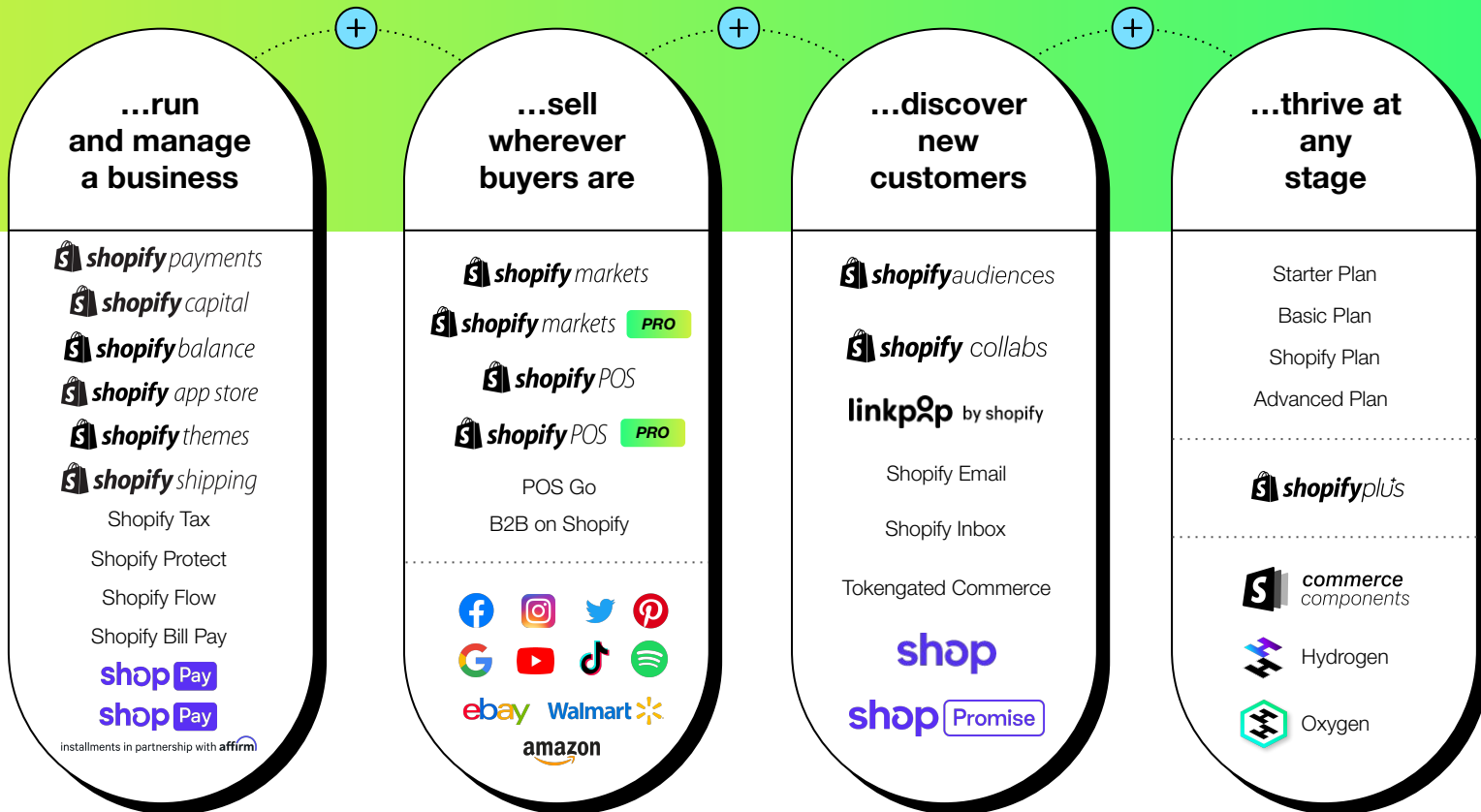
\$86B

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...



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:



Product partners:



System integrator partners:



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

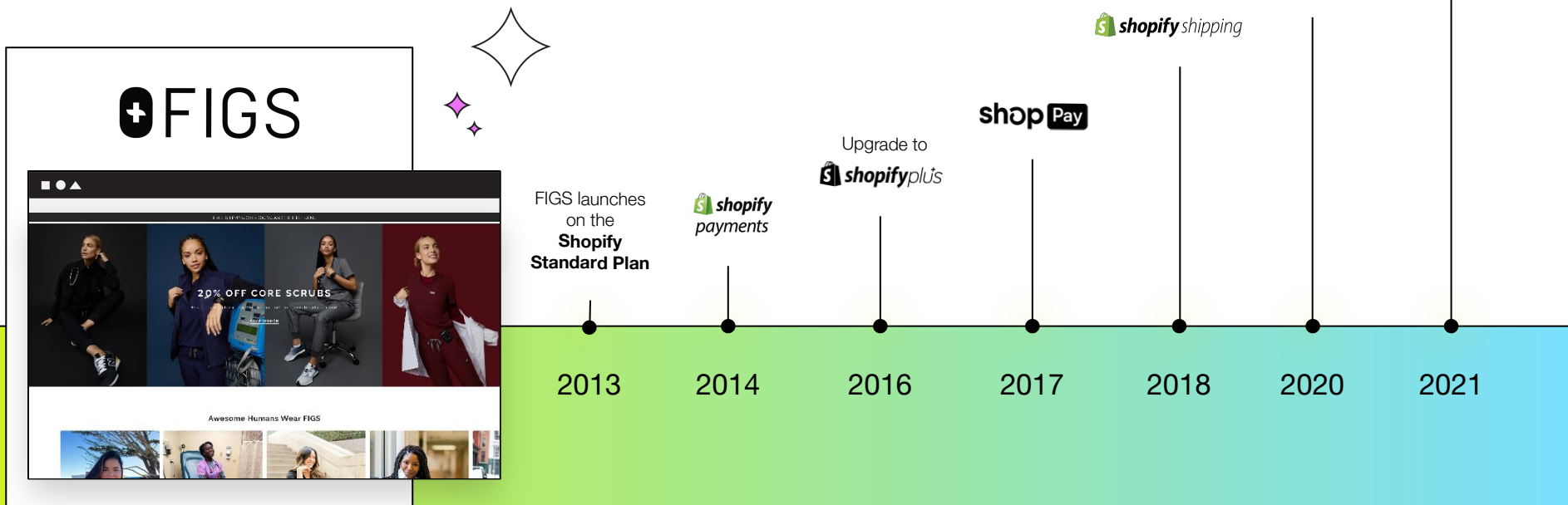
From **Hello World to IPO**

FIGS + Shopify

shop **Pay**

installments in partnership with **affirm**

Initial Public Offering



Consumers' favorite brands powered by Shopify



Q1 Brands

SPANX

GYMSHARK 

PRIME

LESPORTSAC

Ashley
HOMESTORE

MATTEL

MOLSON
COORS
beverage
company

allbirds

REBECCA
MINKOFF

BAUER

Tetley

KITH

MR BEAST

jenny
CRAIG

KOTN

GOOD
AMERICAN

HEINZ
ESTD 1869

BUBS
NATURALS

BOMBAS
bird edition

SKIMS

leesa

FASHIONNOVA

Lord & Taylor

Glossier.

Crate&Barrel

OLLY

GIANT TIGER

STEVE MADDEN

KYLIE

staples

Bobs

JB HI-FI

Nestlé

THE FINEST QUALITY
Herschel
SUPPLY CO. BRAND
TRADE MARK

for all 7
kinds

KIT ACE

SEIKO

818

LOVED



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

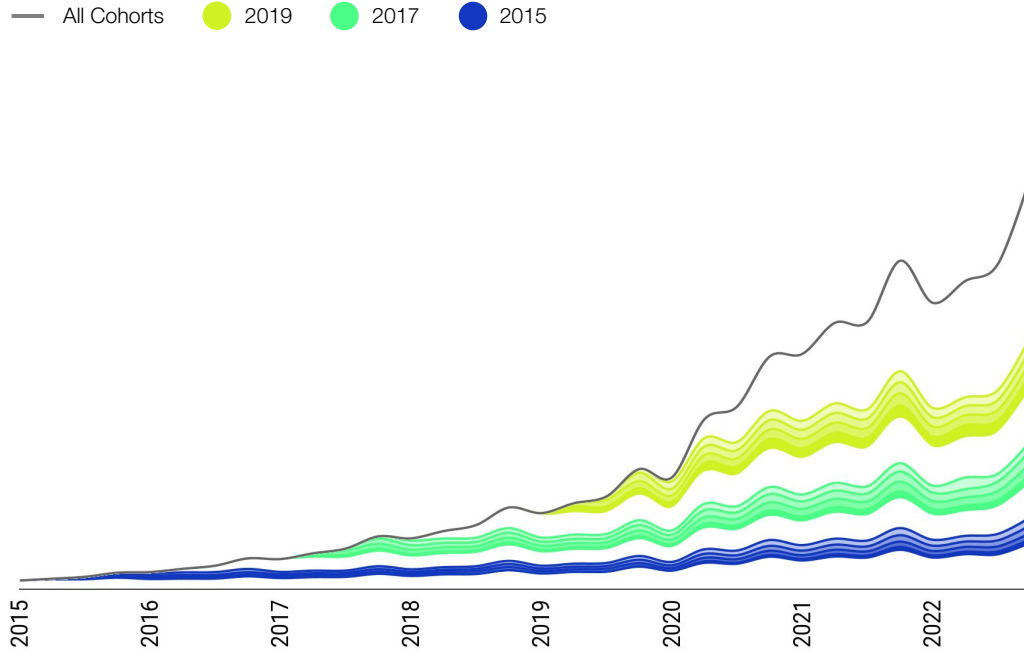


PAPALLAMA

“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	1.9x
Q1/15	3.4x

*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)

Anatomy of a cohort

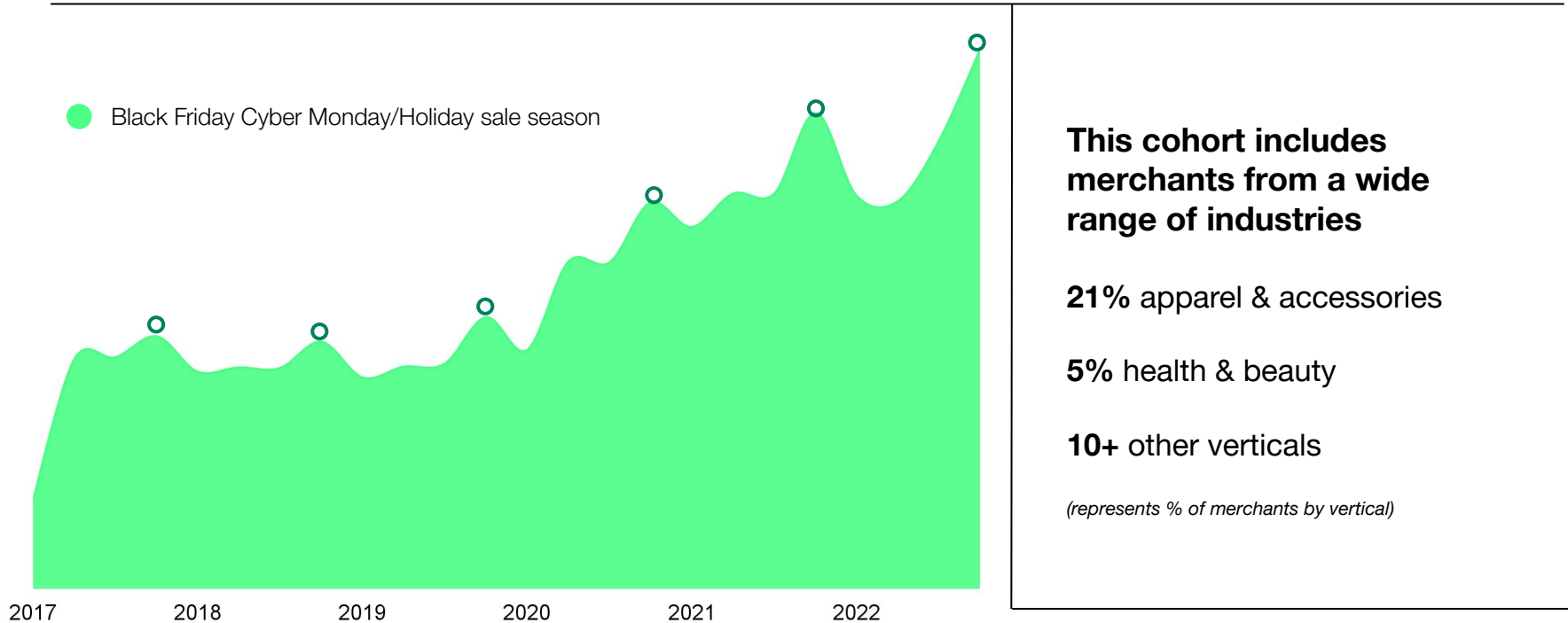


LASHIFY



& more

Sample revenue from the cohort Q1 2017



This cohort includes merchants from a wide range of industries

21% apparel & accessories

5% health & beauty

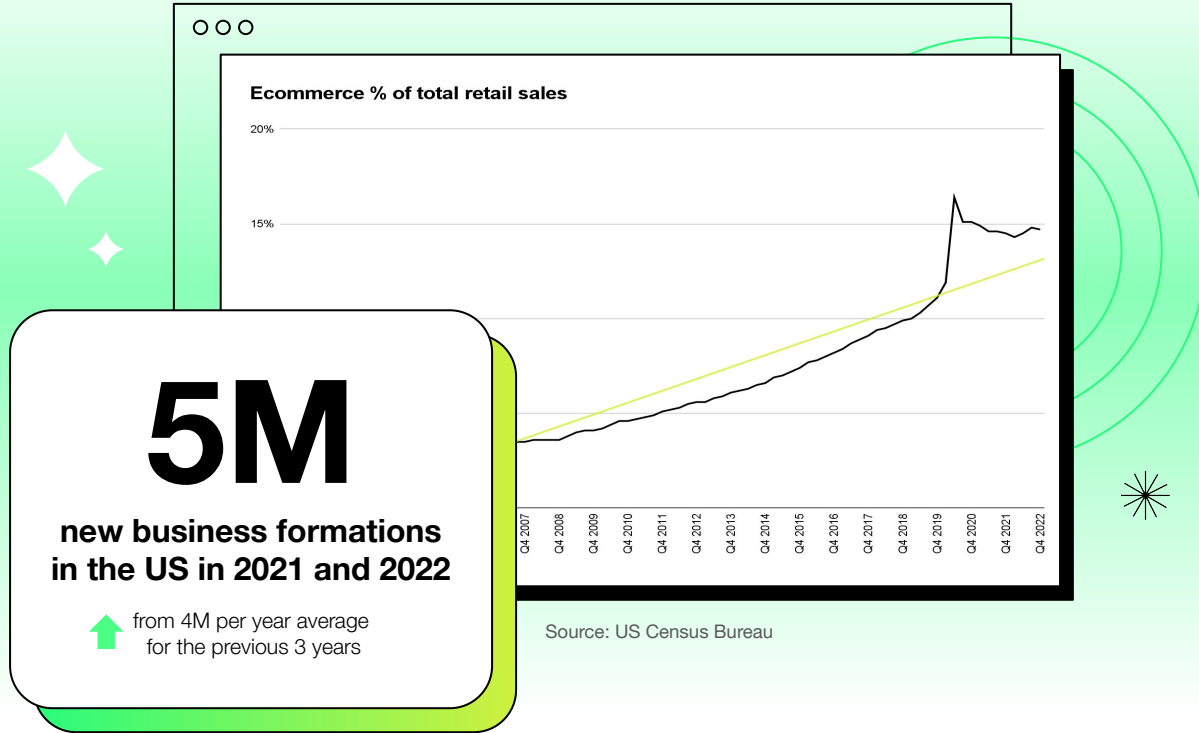
10+ other verticals

(represents % of merchants by vertical)

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

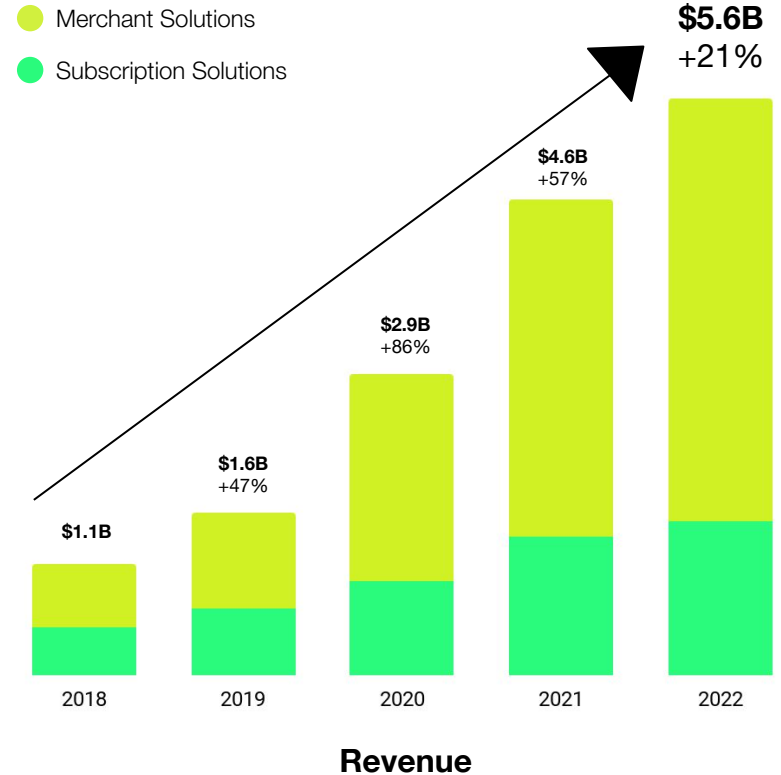
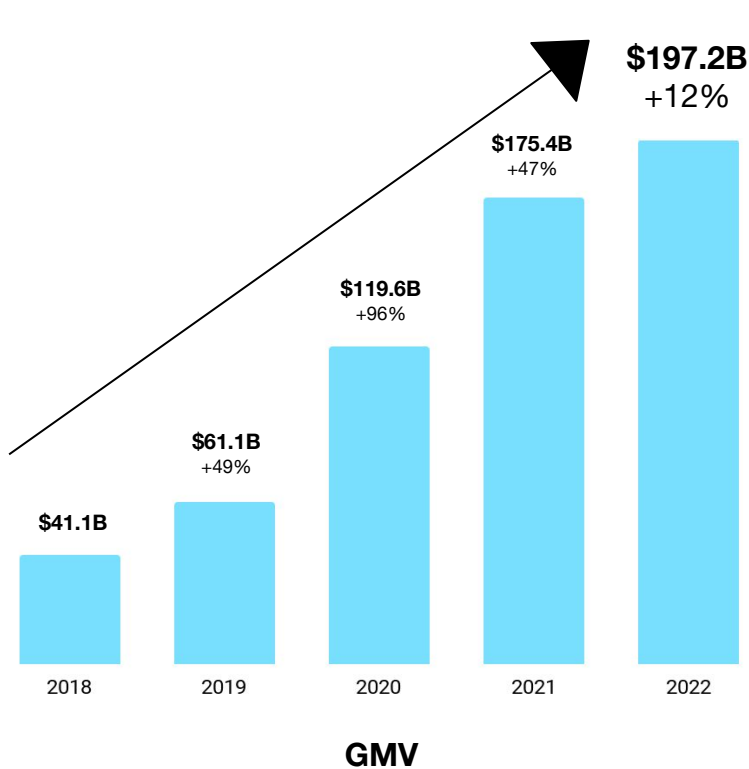


Ecommerce continues to increase off a higher level reset during the pandemic



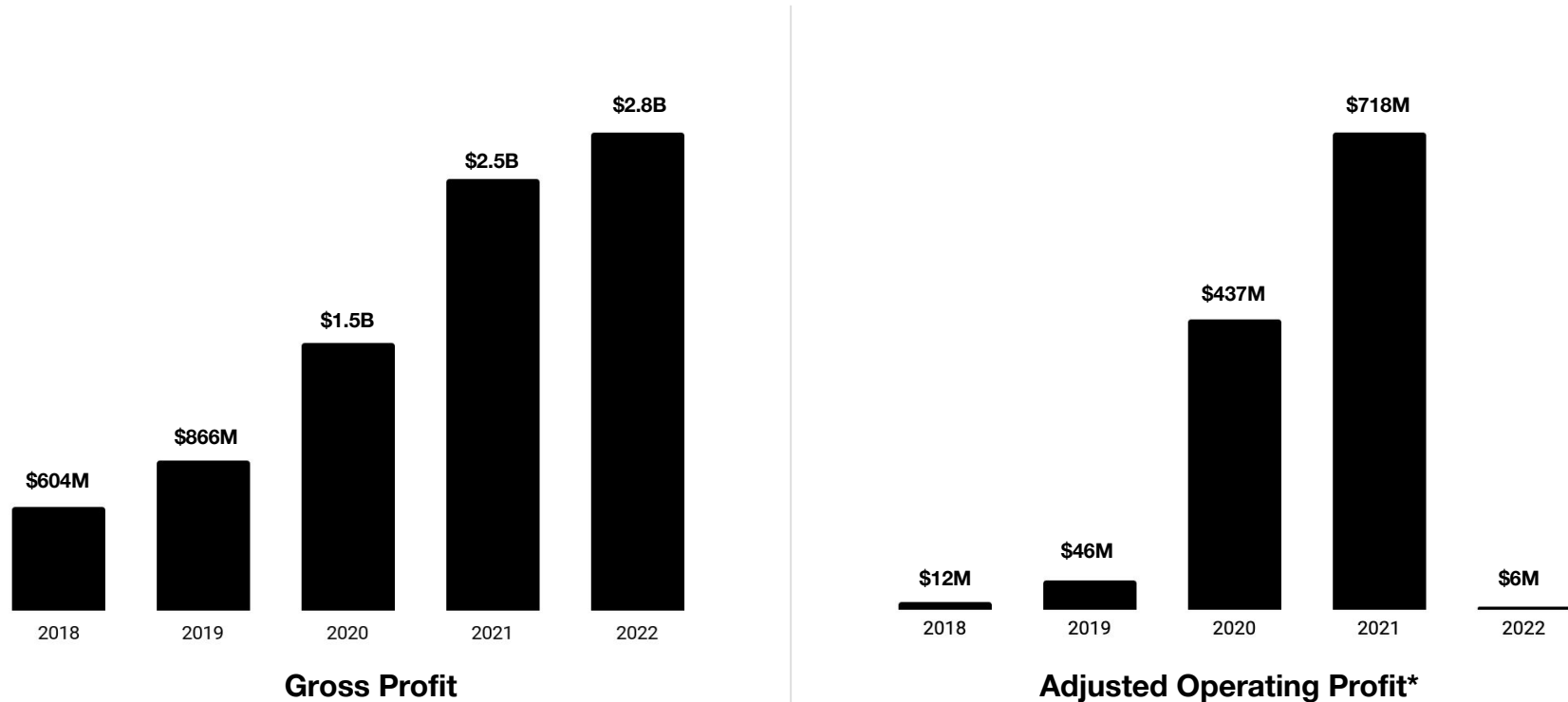
Our success-based business model puts **merchants first**

Helping our merchants grow their business drives our business



With a track record of **profitability**

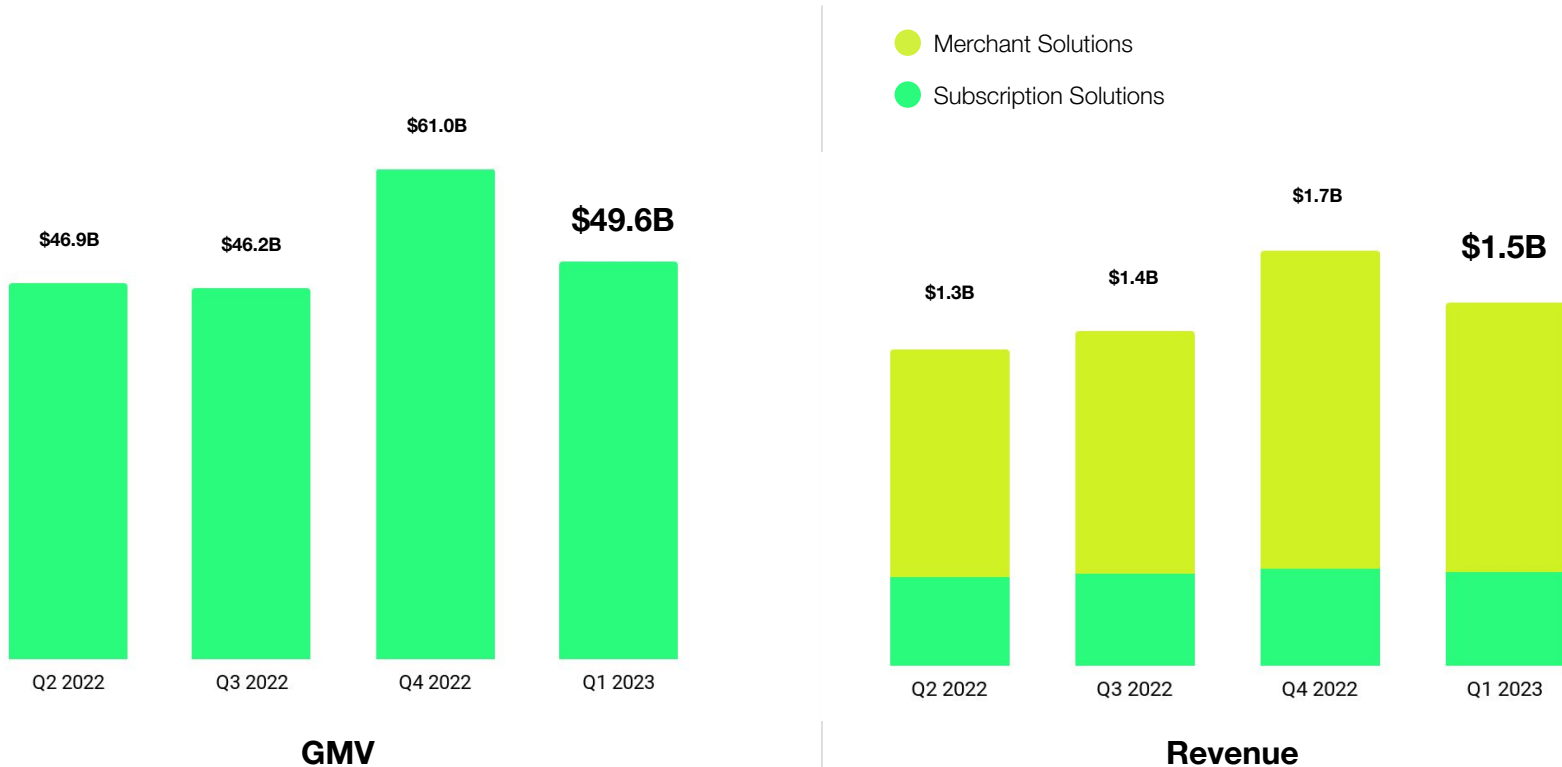
Delivering gross profit dollar growth balanced with disciplined investment to fuel innovation and enable our flywheel



*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.

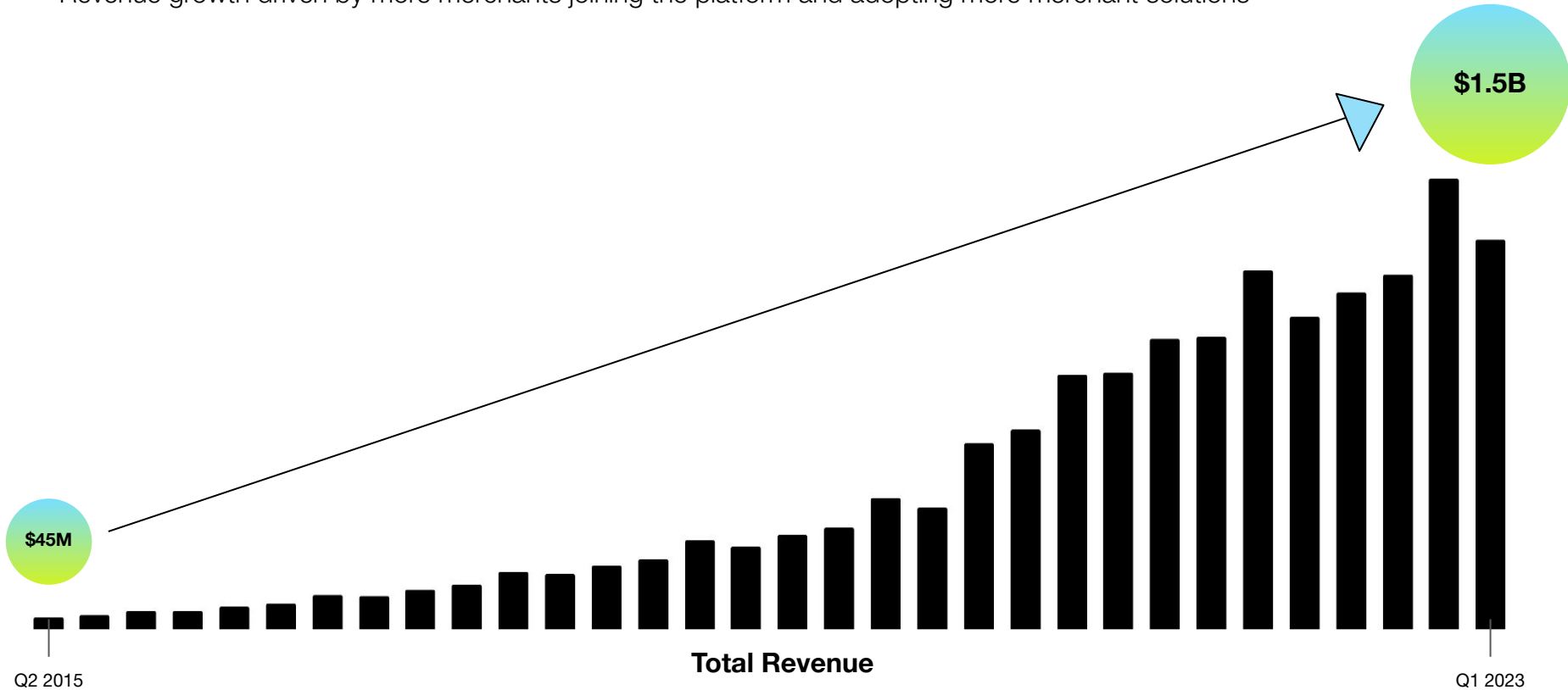
Achieved strong Q1 **GMV and revenue growth**

Our unified commerce solutions continue to help our merchants succeed

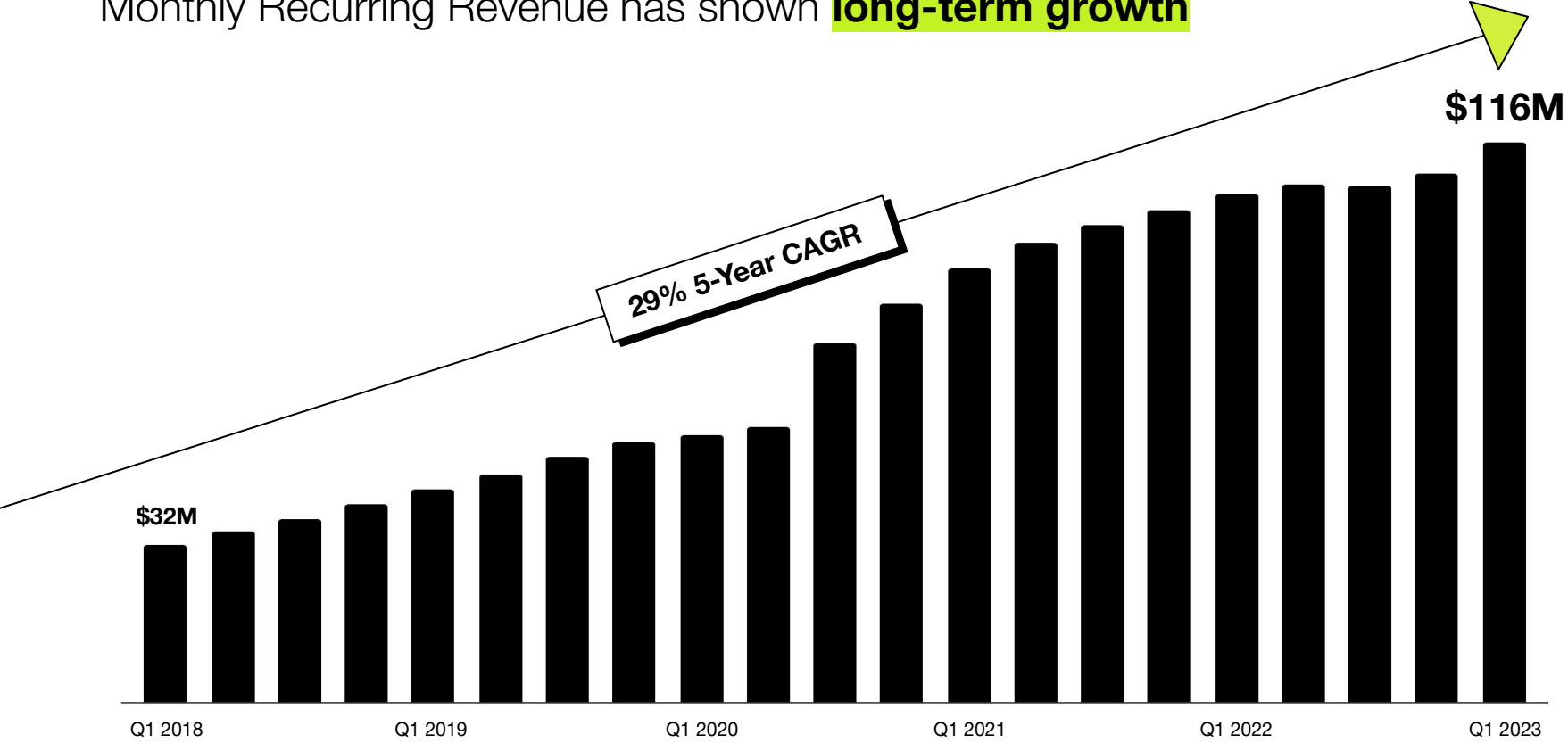


Strong revenue growth since IPO

Revenue growth driven by more merchants joining the platform and adopting more merchant solutions



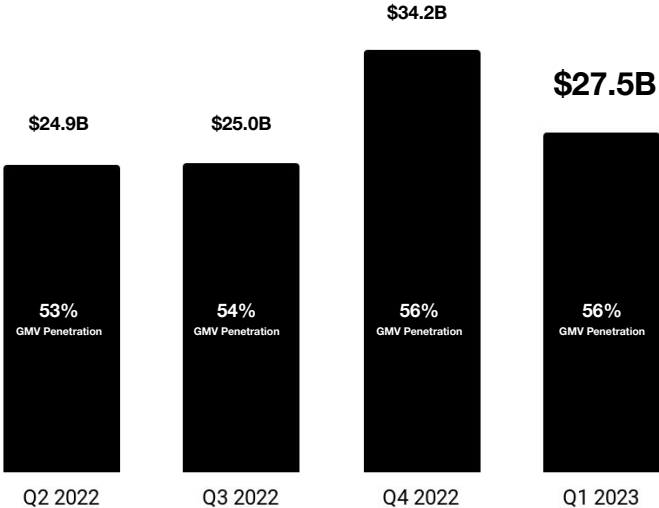
Monthly Recurring Revenue has shown **long-term growth**



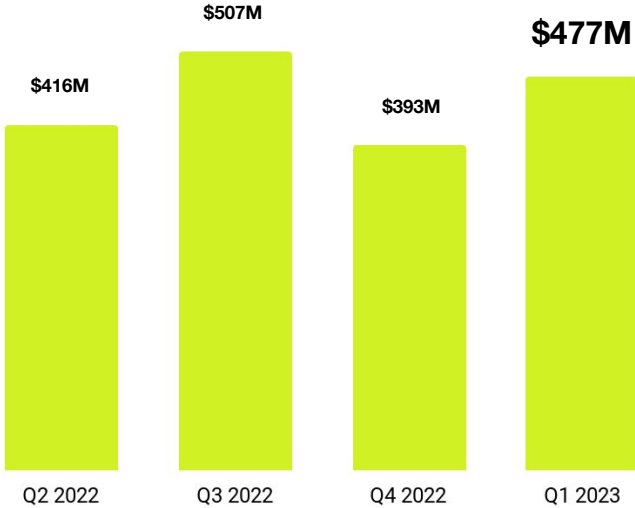
*Monthly Recurring Revenue, or MRR, is calculated at the end of each period by multiplying the number of merchants who have subscription plans with us at the period end date by the average monthly subscription plan fee in effect on the last day of that period, assuming they maintain their subscription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



Shopify Payments
Gross Payments Volume (GPV)*



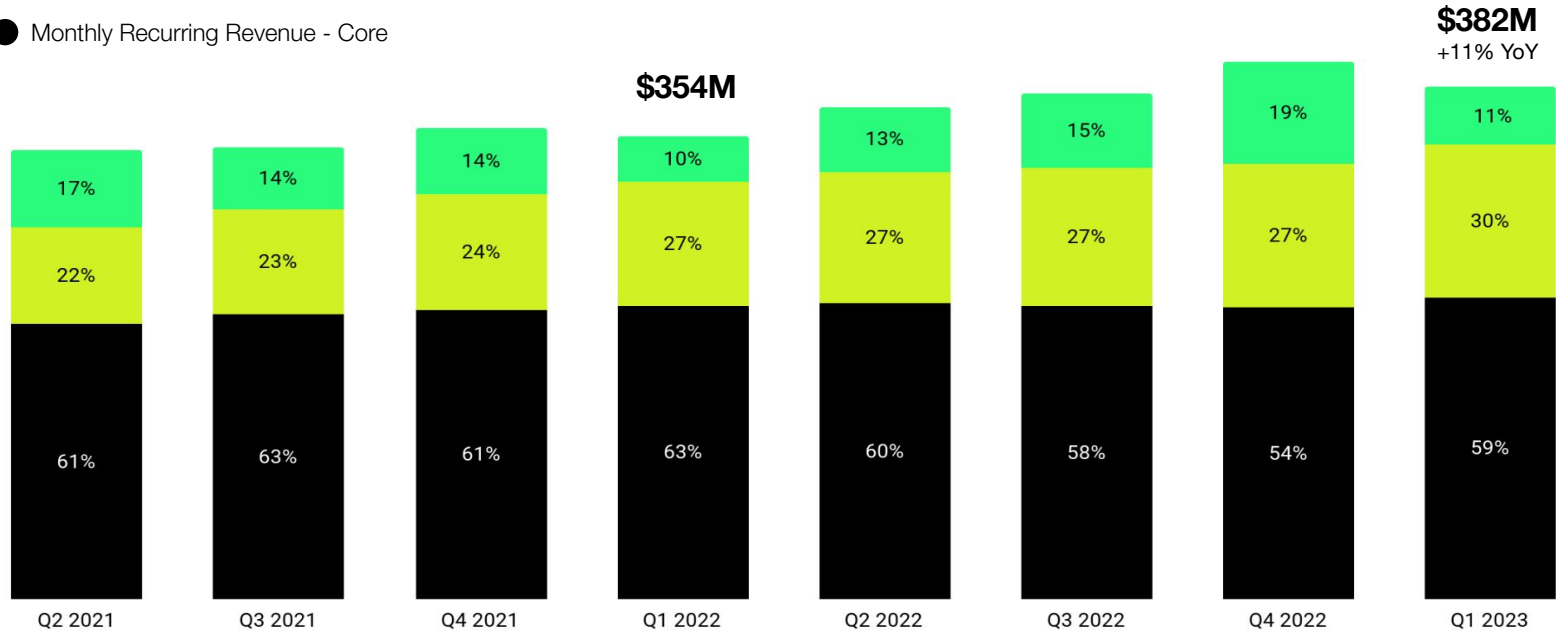
Shopify Capital
Merchant Cash Advances and Loans

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

Subscription solutions revenue continues to grow year-over-year

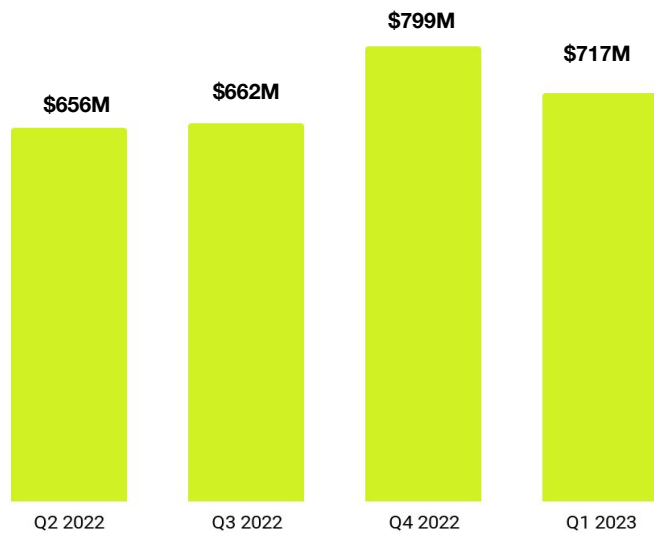
Consistent growth across our Shopify ecosystem and plans

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

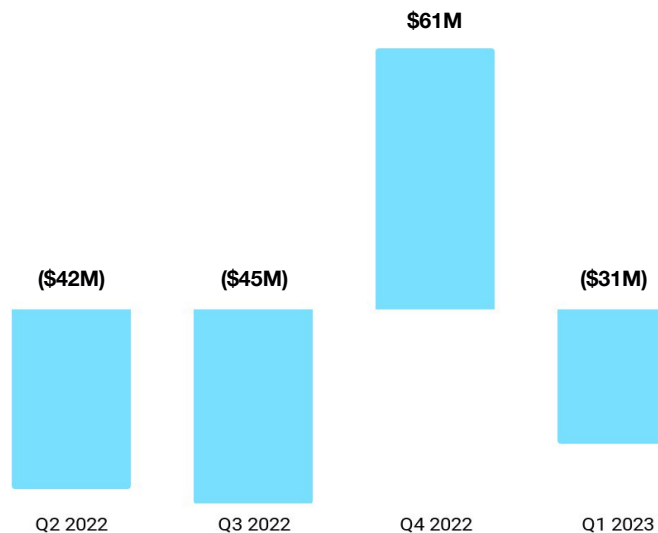


*Approximate Apps, Themes, Domains, Shopify Plus Platform Fee Revenue is calculated by averaging current and previous quarter MRR, multiplying by 3 and subtracting total from Subscription Solutions revenue. Numbers may not foot due to rounding.

Sustained gross profit dollar growth balanced with investments



Gross Profit



Adjusted Operating Profit/(Loss)*

*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 measure, see Appendix for reconciliation.

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

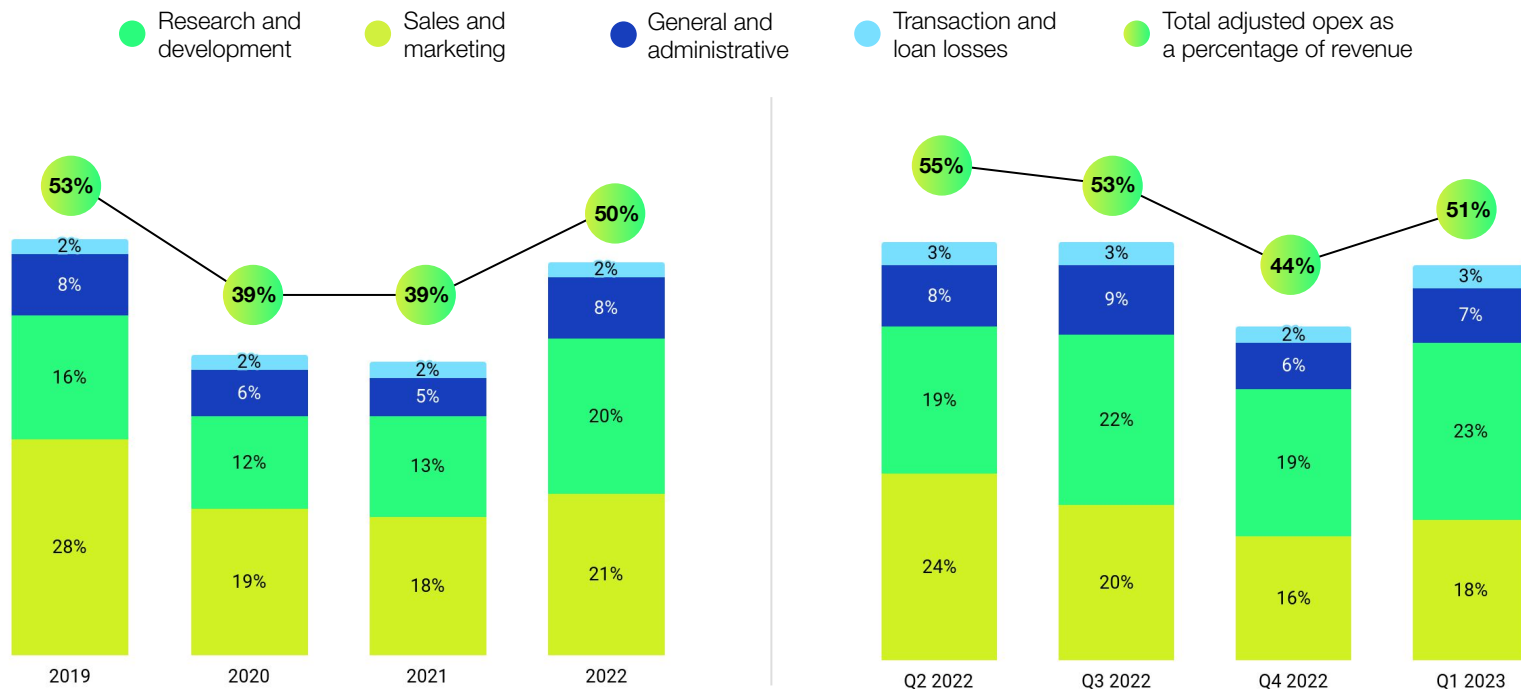
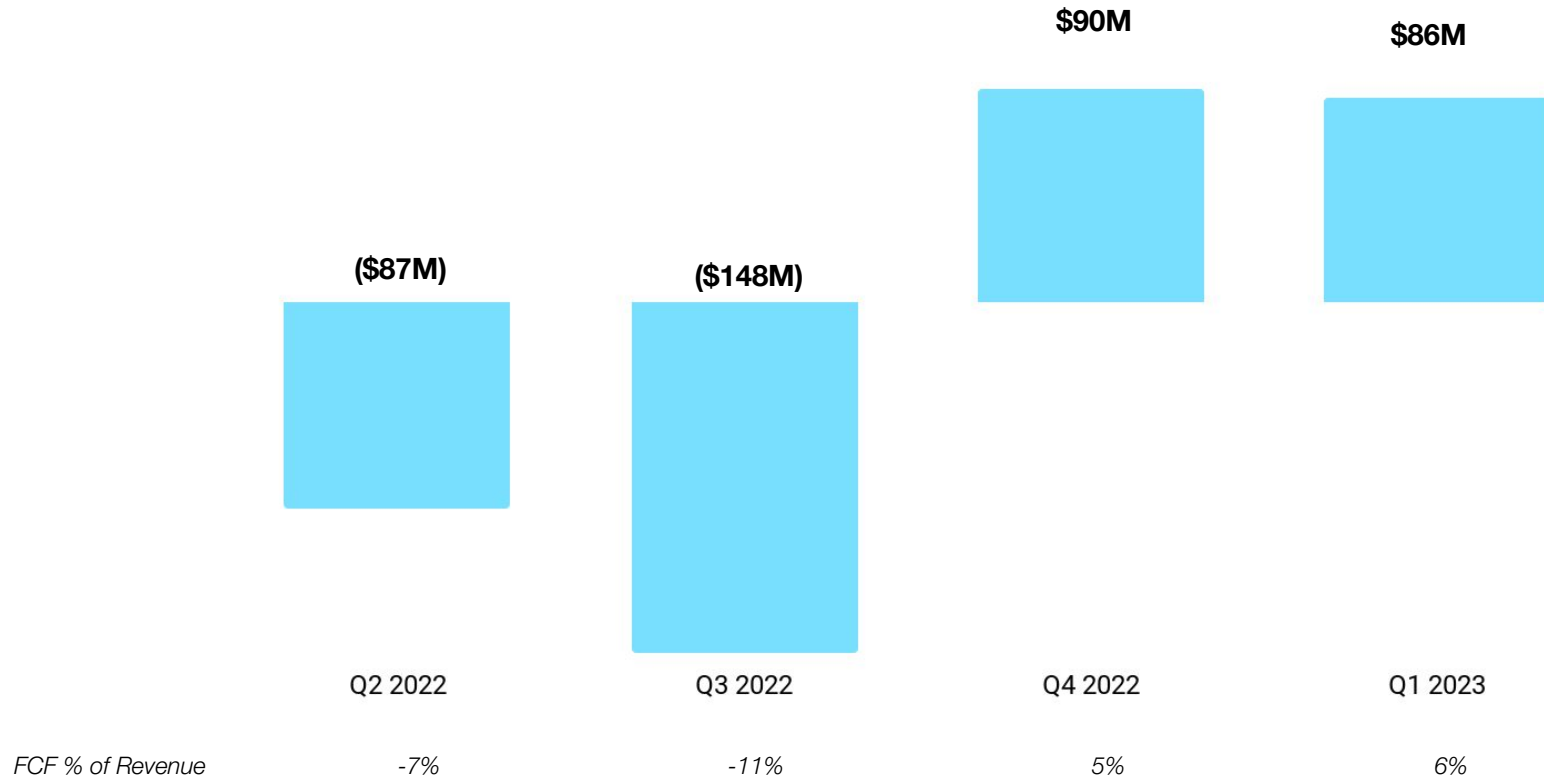


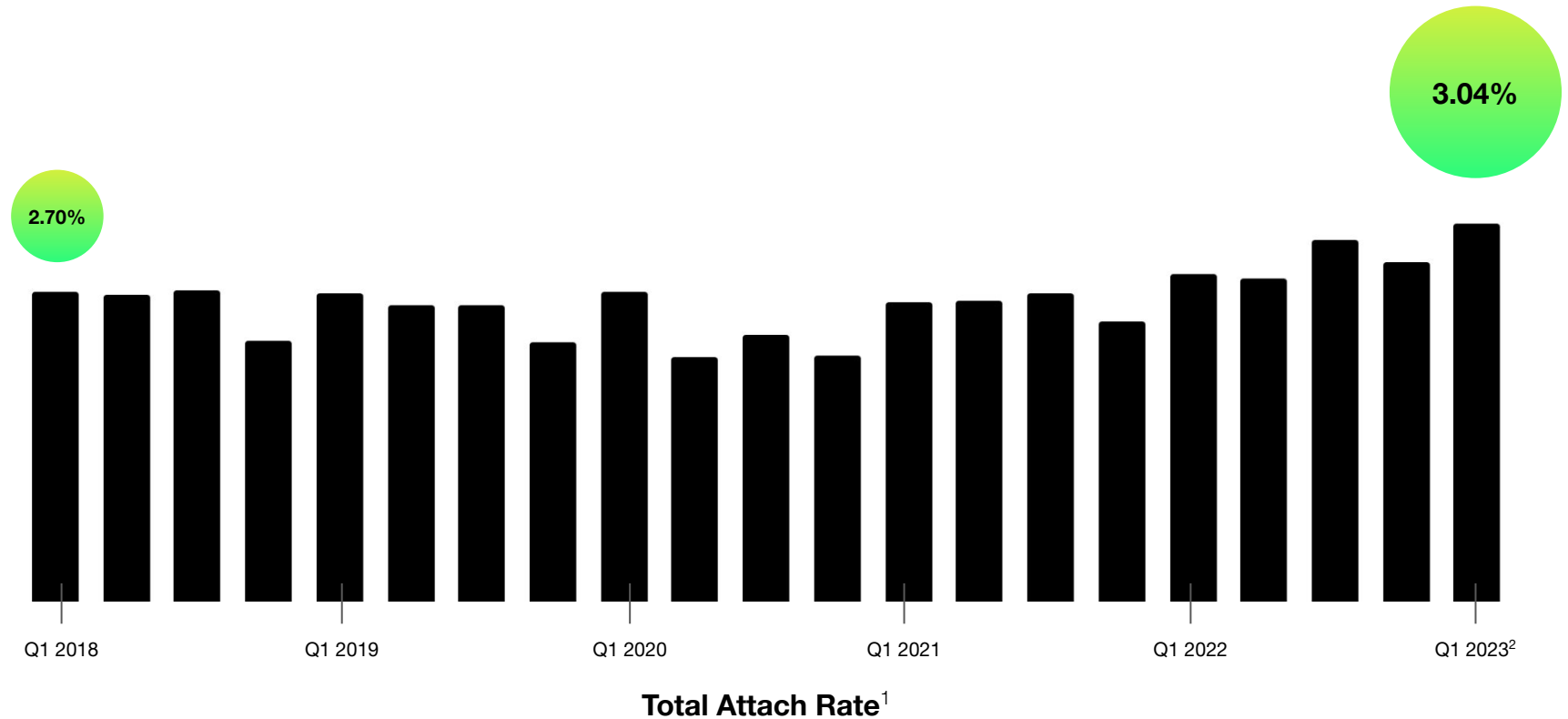
Chart depicts operating leverage, which is measured using Adjusted Operating Expenses (Opex) as a percentage of revenue. Excludes the effect of stock-based compensation expenses and related payroll taxes, amortization of acquired intangibles, employee severance, expense related to legal contingencies, 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



¹ Total attach rate is defined as revenue divided by GMV

Investment highlights



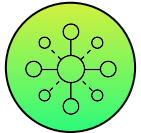
Large and growing opportunity

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**

Entrepreneurs & SMBs	Larger brands & enterprise
<ul style="list-style-type: none">✓ Brand awareness-driven campaigns✓ Education✓ Free and paid trial experiences✓ Localized subscription pricing✓ Marketing and advertising✓ Partners and affiliates✓ Word of mouth	<ul style="list-style-type: none">✓ Direct sales✓ Modularized CCS✓ Partners and affiliates✓ Self-serve onboarding✓ System integrators



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**

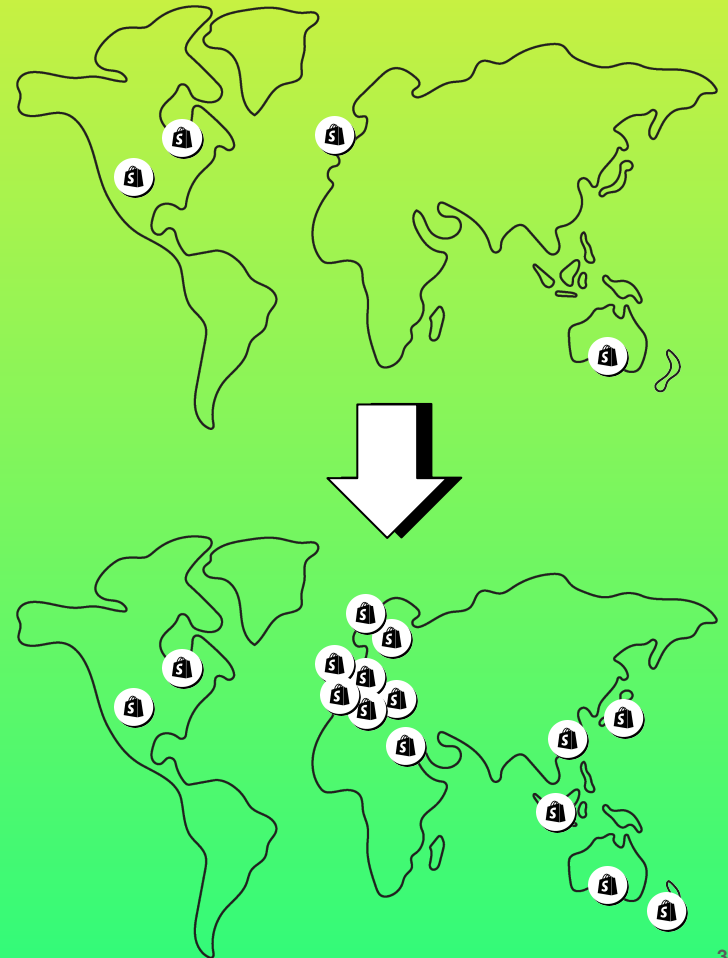
Expand our geographic reach: We continue to localize our platform and feature set to merchants across the globe, lowering the barriers to entrepreneurship

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

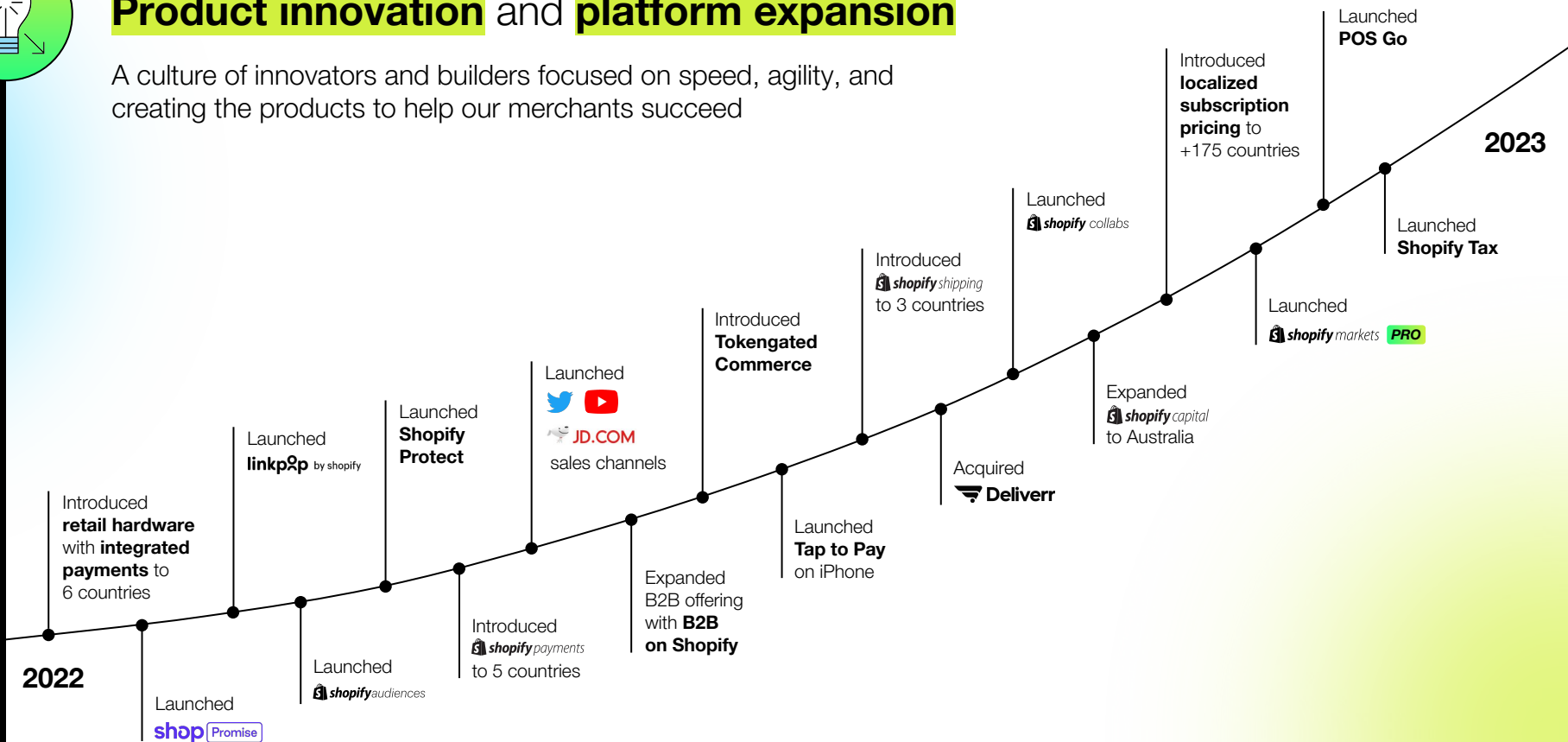
- ▶ While we have grown into multiple products in multiple markets, we are still in early stages of growth
 - Shopify Payments in 23 countries
 - Shopify POS with integrated Payments in 14 countries
 - Shopify Shipping in 7 countries
 - Shopify Capital in 4 countries
 - And many more...





Product innovation and platform expansion

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



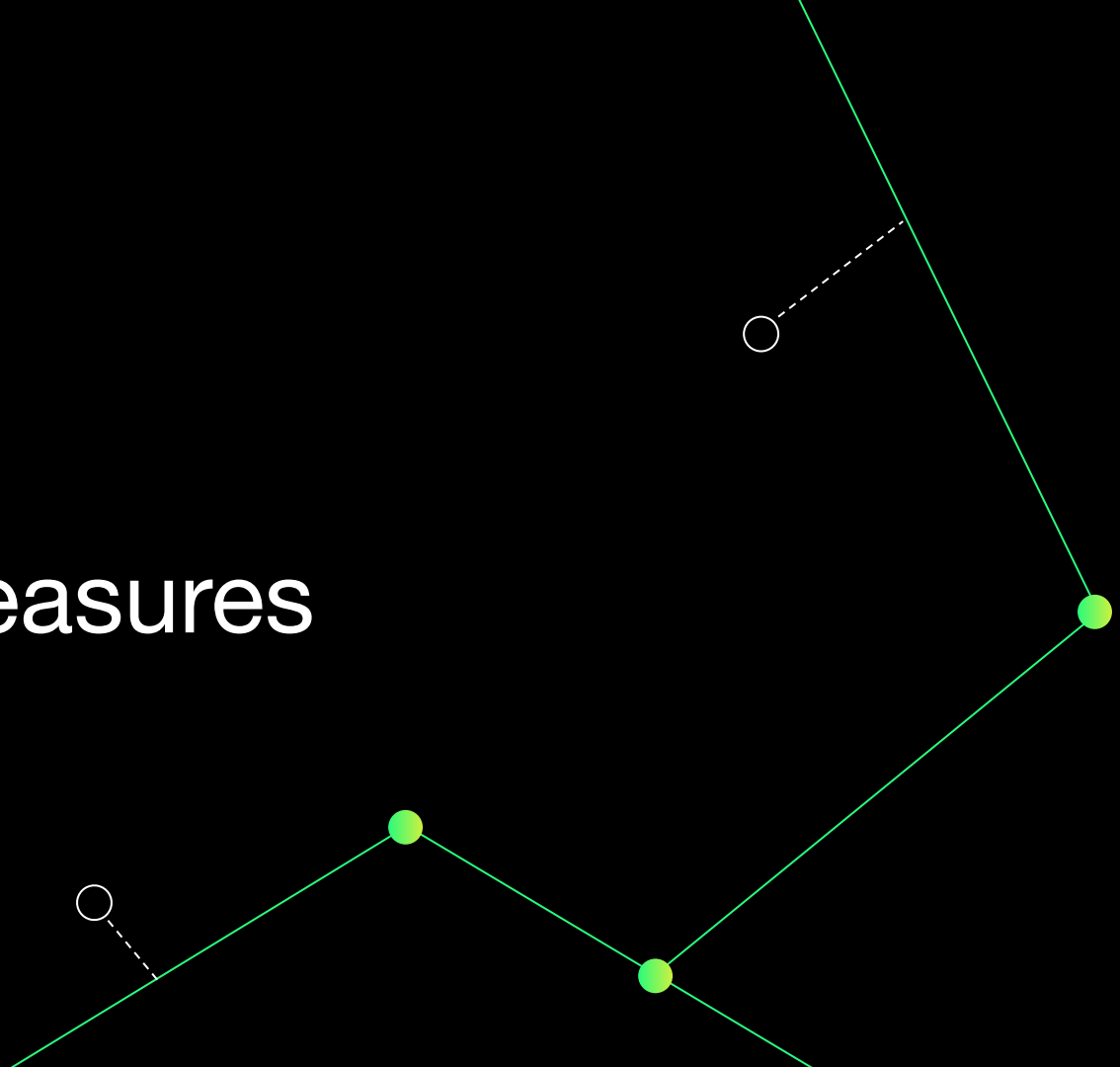
We're just getting started.

**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 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.

Reconciliation of GAAP to Non-GAAP figures

Expressed in US millions	2018	2019	2020	2021	2022	Q1'22	Q1'23
GAAP Gross profit	596	866	1,542	2,481	2,754	638	717
add: SBC and SBC-related payroll taxes	3	4	7	8	9	2	2
add: Amortization of acquired intangibles	5	9	19	20	49	6	19
Non-GAAP Gross profit	604	879	1,568	2,509	2,812	646	738
% of Revenue	56%	56%	54%	54%	50%	54%	49%
GAAP Sales and marketing	350	473	602	902	1,230	303	287
less: Sales and marketing SBC and SBC-related payroll taxes	24	38	46	47	65	16	15
less: Amortization of acquired intangibles	-	1	2	2	5	1	2
less: Severance related costs	-	-	-	-	11	-	-
Non-GAAP Sales and marketing	326	434	554	853	1,149	286	270
% of Revenue	30%	28%	19%	18%	21%	24%	18%

Expressed in US millions	2018	2019	2020	2021	2022	Q1'22	Q1'23
GAAP Research and development	231	355	552	854	1,503	304	458
less: Research and development SBC and SBC-related payroll taxes	60	105	188	251	396	85	106
less: Severance related costs	-	-	-	-	8	-	-
Non-GAAP Research and development	171	250	364	603	1,099	219	352
% of Revenue	16%	16%	12%	13%	20%	18%	23%
GAAP General and administrative	99	154	245	375	708	109	123
less: General and administrative SBC and SBC-related payroll taxes	18	30	52	91	93	20	18
less: Impairment of right-of-use assets and leasehold improvements	-	-	32	30	84	-	-
less: Severance related costs	-	-	-	-	11	-	-
less: Litigation contingencies	-	-	-	-	97	-	-
Non-GAAP General and administrative	81	124	161	254	423	89	105
% of Revenue	8%	8%	6%	5%	8%	7%	7%

Expressed in US millions	2018	2019	2020	2021	2022	Q1'22	Q1'23
GAAP Transaction and loan losses	8	25	52	82	135	20	42
% of Revenue	1%	2%	2%	2%	2%	2%	3%
GAAP Operating expenses	688	1,007	1,451	2,213	3,576	736	910
less: Operating SBC and SBC-related payroll taxes	102	173	286	389	554	121	139
less: Amortization of acquired intangibles	-	1	2	2	5	1	2
less: Impairment of right-of-use assets and leasehold improvements	-	-	32	30	84	-	-
less: Severance related costs	-	-	-	-	30	-	-
less: Litigation contingencies	-	-	-	-	97	-	-
Non-GAAP Operating expenses	586	833	1,131	1,792	2,806	614	769
% of Revenue	55%	53%	39%	39%	50%	51%	51%

Reconciliation of free cash flow

Expressed in US millions \$	2018	2019	2020	2021 ¹	2022	Q1'22 ¹	Q1'23
Net cash provided by (used in) operating activities	9	71	425	535	(136)	(25)	100
less: Capital expenditures ²	(28)	(57)	(42)	(51)	(50)	(16)	(14)
Free cash flow	(19)	14	383	484	(186)	(41)	86

¹ Comparative figures have been reclassified in order to conform to the period presentation.

² 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.



Make commerce
better for everyone

