Safe Harbour

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 the section entitled “Risk Factors” 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 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.
Retail is Changing
One Platform, Every Channel, Any Device.
Single Integrated Back Office

- Fraud
- Capital & Payments
- Reporting & Data Analytics
- Shipping & Logistics
- Future
- Inventory & Order Management
- Apps

Future
Our Market

- **LARGER BRANDS**
  - $2,000+ PER MONTH

- **SMB’S**
  - $299 PER MONTH

- **ENTREPRENEURS**
  - $79 PER MONTH
  - $29 BASIC

- **LARGER BRANDS**
  - $2,000+ PER MONTH
Total Addressable Market
Anyone who wants to make more money from their site than what they pay for it

$64B
SMB TAM

LARGER BRAND
TAM

Source: AMI Partners, 2017
(1) Merchants defined as retailers with less than 500 employees. Includes commercially located businesses, sole proprietorships and home-based businesses
(2) Average revenue per merchant of approximately $1,361 based on ARPU for 2017.
Merchant Acquisition
Casting a very wide net

Entrepreneurs

- Word of Mouth
- Search Engine Marketing
- Digital Advertising
- Shopify Blog
- Content Marketing
- Build a Business Competition
- Global In-Person Events

SMB’s

- Partners and Affiliates
- Build a Bigger Business Competition
- Shopify Plus Sales Representatives

Larger Brands

- Shopify Blog
- Search Engine Marketing
- Digital Advertising
- Content Marketing
- Build a Business Competition
- Global In-Person Events
- Partners and Affiliates
- Build a Bigger Business Competition
- Shopify Plus Sales Representatives

Daymond John
Richard Branson
Tony Robbins
TOM Farley
Profile: Entrepreneur

Master artisan Tarik Yousef shapes locally sourced wood into heirloom pieces distinguished by graceful style and technical precision. Tariq uses Shopify to power his online store as well as his Columbus, Ohio storefront T.Y. Fine Furniture.
Fashion designer Leanne Mai-ly Hilgart, a trailblazer in the world of vegan apparel, uses Shopify to power her online store, pop-up shops and Manhattan flagship store, **Vaute Couture**.
Partner Ecosystem

Product-enhancing contributors to app and theme stores and revenue-enhancing value-added partners and affiliates

APPs:
~2,400 apps extending product capabilities

e.g., AGENCIES AND WEB DESIGNERS:
~16K referred at least one merchant to Shopify in the last 12 months
Growth-Minded Culture

Recruit talented, deeply caring individuals

Quarterly Hack Days as an innovation engine

Invest heavily in personal growth and development

Global reach
The Numbers
Strong Consistent Revenue Growth

- 2012: $23.7M +112%
- 2013: $50.3M +120%
- 2014: $105M +109%
- 2015: $205.2M +95%
- 2016: $673.3M +73%
- 2017: $127.4M
- Q1 2017: $127.4M
- Q1 2018: $214.3M +68%

Legend:
- Blue: Merchant Solutions
- Black: Subscription Solutions
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 revenue in effect on the last day of that period, assuming they maintain their subscription plans the following month.

Strong Consistent MRR Growth

75% CAGR

$1.1M

$32.5M
Strong Consistent GMV Growth

- 2012: $0.7B, +128%
- 2013: $1.6B, +128%
- 2014: $3.8B, +105%
- 2015: $7.7B, +133%
- 2016: $15.4B, +99%
- 2017: $26.3B, +71%

- Q1 2017: $4.9B
- Q1 2018: $8.0B, +64%
Powerful Business Model

Gross Profit

- 2012: $18.9M
- 2013: $36.7M (+94%)
- 2014: $62.6M (+70%)
- 2015: $113.3M (+81%)
- 2016: $209.5M (+65%)
- 2017: $380.3M (+82%)
- Q1 2017: $72.2M
- Q1 2018: $123.8M (+71%)
Operating Leverage
As a Percentage of Revenue

Excludes the effect of stock-based compensation expenses and related payroll taxes, as well as sales and use tax for certain prior periods. See Appendix for reconciliation. Numbers may not foot due to rounding.
Growth Vectors

Secular Tailwinds
- RISE OF SELF-EMPLOYMENT
- E-COMMERCE GROWTH
- CONSUMERIZATION OF THE ENTERPRISE

Opportunities
- INTERNATIONAL
- SHARE OF WALLET
- MACHINE LEARNING

LEADS TO
- MORE MERCHANTS
- MORE GMV
- MORE CHANNELS, PARTNERS & CAPABILITIES
Investment Highlights

Enormous Opportunity
Multichannel commerce platform targeted at large and growing addressable SMB market

Powerful Business Model
Rapidly growing SaaS and success-based business model

World-class Product
Well-crafted for simplicity and scalability

Vast Ecosystem
Engaged and expanding partner ecosystem that is difficult to replicate

Data Advantage
Tens of billions of interactions accumulated over 10+ years now being leveraged through machine learning

Vision
Product-driven team with a long-term focus
MAKE COMMERCES BETTER FOR EVERYONE
Non-GAAP Financial Measures

To supplement its 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 its financial and operating performance.

Adjusted operating loss, adjusted net loss and adjusted net loss per share are non-GAAP financial measures that exclude the effect of stock-based compensation expenses and related payroll taxes as well as, where applicable, sales and use tax.

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 US 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 that follow for a reconciliation of the non-GAAP measures.
## Reconciliation to GAAP Figures

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Q1’17</th>
<th>Q1’18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP Sales and marketing</strong></td>
<td>12,262</td>
<td>23,351</td>
<td>45,929</td>
<td>70,374</td>
<td>129,214</td>
<td>225,694</td>
<td>45,334</td>
<td>75,784</td>
</tr>
<tr>
<td>Less: Sales and marketing SBC and SBC-related payroll taxes</td>
<td>66</td>
<td>354</td>
<td>696</td>
<td>1,351</td>
<td>4,444</td>
<td>9,876</td>
<td>1,660</td>
<td>4,769</td>
</tr>
<tr>
<td><strong>Non-GAAP Sales and Marketing</strong></td>
<td>12,196</td>
<td>22,997</td>
<td>45,233</td>
<td>69,023</td>
<td>124,770</td>
<td>215,818</td>
<td>43,674</td>
<td>71,015</td>
</tr>
<tr>
<td>% of Revenue</td>
<td>51%</td>
<td>46%</td>
<td>43%</td>
<td>34%</td>
<td>32%</td>
<td>32%</td>
<td>34%</td>
<td>33%</td>
</tr>
</tbody>
</table>

| **GAAP Research and development** | 6,452   | 13,682  | 25,915  | 39,722  | 74,336  | 135,997 | 26,594  | 47,716  |
| Less: Research and development SBC and SBC-related payroll taxes | 282     | 1,152   | 2,776   | 6,373   | 15,364  | 34,560  | 6,318   | 11,916  |
| **Non-GAAP Research and development** | 6,170   | 12,530  | 23,139  | 33,349  | 58,972  | 101,437 | 20,276  | 35,800  |
| % of Revenue             | 26%     | 25%     | 22%     | 16%     | 15%     | 15%     | 16%     | 17%     |

| **GAAP General and administrative** | 1,737   | 3,975   | 12,379  | 20,915  | 43,110  | 67,719  | 14,774  | 20,675  |
| Less: General and administrative SBC and SBC-related payroll taxes | 49      | 147     | 712     | 2,419   | 4,495   | 9,485   | 1,920   | 2,941   |
| Less: Non-recurring sales and use tax expense | -       | -       | 2,182   | 566     | -       | -       | -       | -       |
| **Non-GAAP General and administrative** | 1,688   | 3,828   | 9,485   | 17,930  | 38,615  | 58,234  | 12,854  | 17,734  |
| % of Revenue             | 7%      | 8%      | 9%      | 9%      | 10%     | 9%      | 10%     | 8%      |

| **GAAP Operating Expense** | 20,451  | 41,008  | 84,223  | 131,011 | 246,660 | 429,410 | 86,702  | 144,175 |
| Less: Operating SBC and SBC-related payroll taxes | 397     | 1,653   | 4,184   | 10,143  | 24,303  | 53,921  | 9,898   | 19,626  |
| Less: Non-recurring sales and use tax expense | -       | -       | 2,182   | 566     | -       | -       | -       | -       |
| **Non-GAAP Operating Expense** | 20,054  | 39,355  | 77,857  | 120,302 | 222,357 | 375,489 | 76,804  | 124,549 |
| % of Revenue             | 84%     | 79%     | 74%     | 59%     | 57%     | 56%     | 60%     | 58%     |