



# Leading the future of commerce

February 11, 2025



# Advisories

This presentation contains forward-looking statements and forward looking information (collectively, “forward-looking statements”) that are based on our management’s current estimates, beliefs and assumptions and management’s perception of historic trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. These statements may be identified by words such as “expect” and “continue”. 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, which are, in some cases, beyond our control, and 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. These risks are described in further detail in our Annual Report on Form 10-K, in 'Item 1A : Risk Factors' and 'Item 7A : Quantitative and Qualitative Disclosures About Market Risk' and as further described 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](http://www.sec.gov) and on [www.sedarplus.ca](http://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.

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February 2025

# Shopify **Snapshot**



## \$8.9B

Revenue in 2024  
(up 26% YoY)



## \$1.1T

Global commerce<sup>1</sup>  
since Shopify's inception



## 875M+

Unique online shoppers  
purchasing from Shopify  
merchants in 2024



## >12%

US ecommerce market  
share<sup>2</sup> and expect further  
penetration



## Millions

of merchants in  
**175+ countries**

*a-morir*  
NEW YORK



Featured merchant

<sup>1</sup> Cumulative Shopify GMV since Shopify's inception

<sup>2</sup> The US ecommerce market is based on a combination of US Census Bureau data (Quarterly Retail E-Commerce Sales, not adjusted) and internal estimates. Shopify market share represents sales by Shopify merchants based on Shopify's 2024 US GMV (excluding merchant sales made through POS).



## Investment thesis



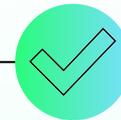
We help **accelerate the power** of entrepreneurship and merchant success



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



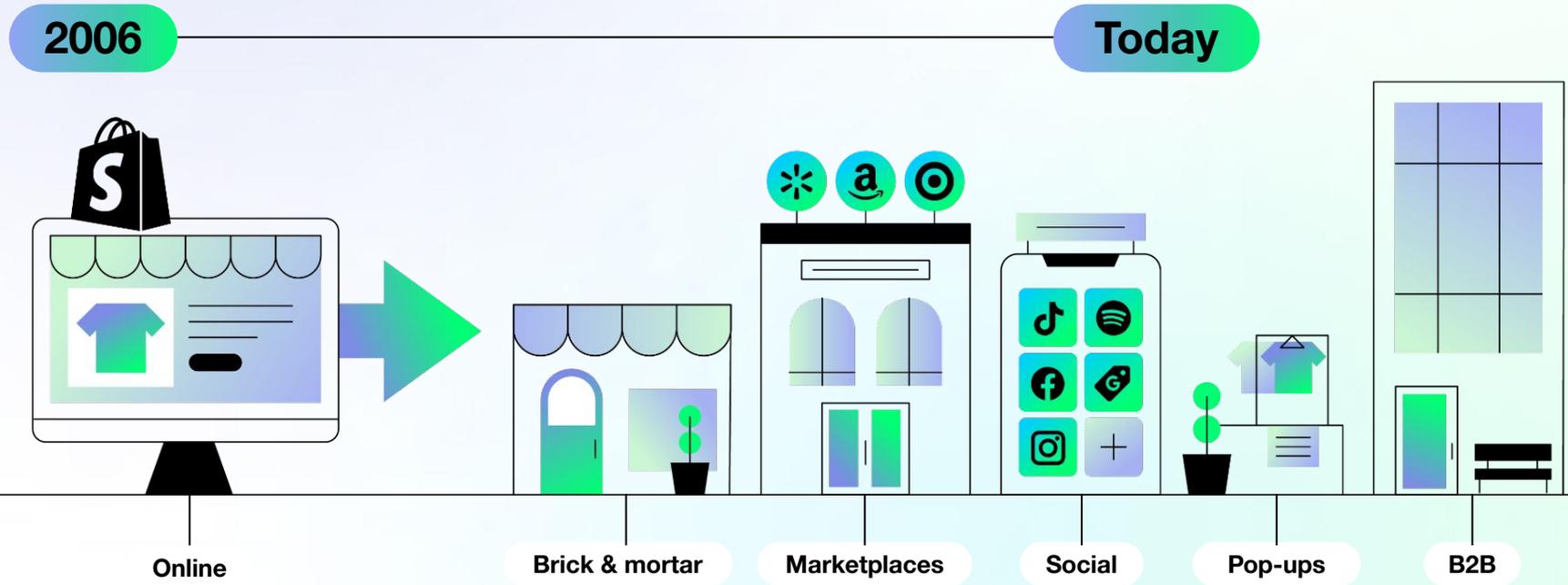
... and **increasingly all of commerce**



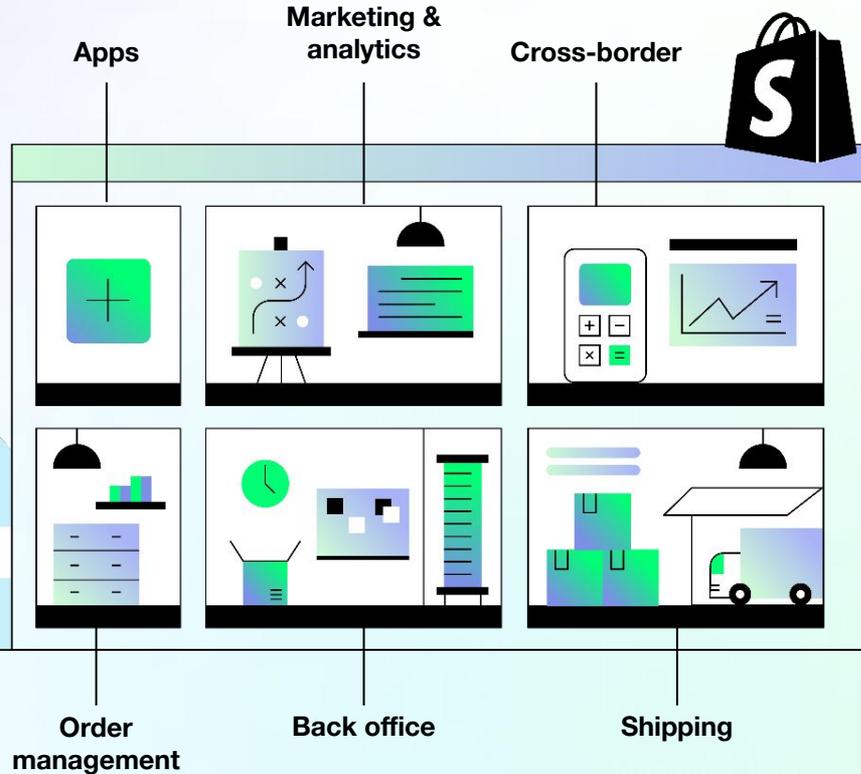
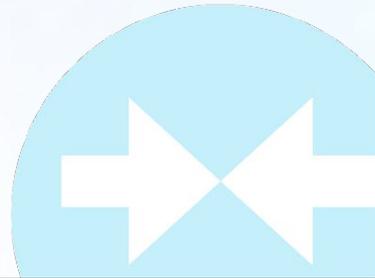
As our merchants do better, **Shopify does better**

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

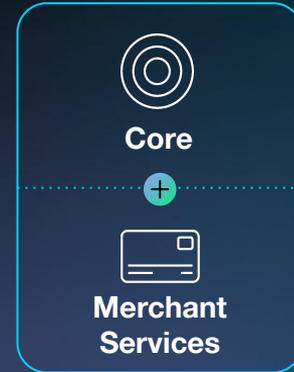
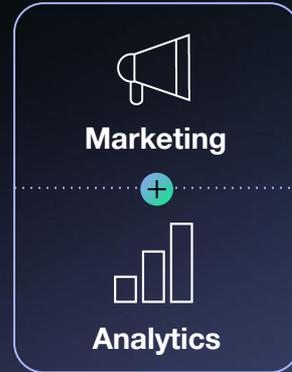
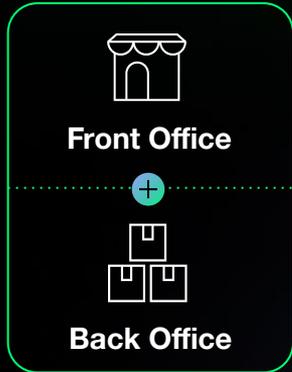
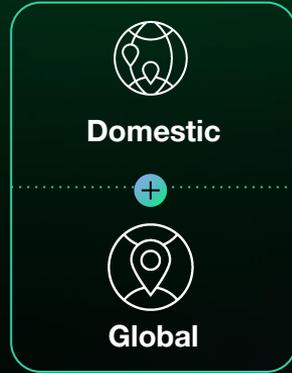
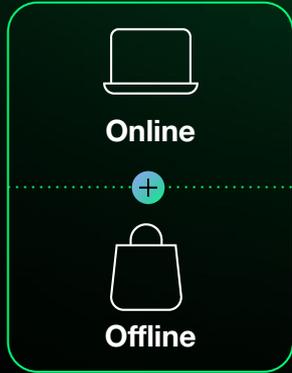
**Over 90%** of our merchants have installed two or more channels



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



# Shopify has evolved into a **unified operating system for commerce** anywhere, anytime



# Consumers' favorite brands powered by Shopify

+ Q4 Brands\*

SPANX<sup>®</sup>

GYMSHARK

Reebok

THE FINEST QUALITY  
Herschel  
SUPPLY CO. BRAND  
TRADE MARK

ASHLEY



MOLSON  
COORS  
beverage  
company

allbirds

REBECCA  
MINKOFF

BAUER

NIKE  
STRENGTH

KITH

MR BEAST

overstock.com

KOTN

GOOD  
AMERICAN

HEINZ  
ESTD 1869

DOLLAR  
SHAVE  
CLUB

BOMBAS  
bird edition

SKIMS

leesa

FASHION NOVA

Lord & Taylor

Glossier.

Crate&Barrel

OLLY

GIANT TIGER

STEVE MADDEN

KYLIE

staples

Bol's

JB HI-FI

Nestlé

DAVID'S<sup>™</sup>  
BRIDAL

ALDO

GameStop<sup>®</sup> CCS

WARNER  
MUSIC  
GROUP

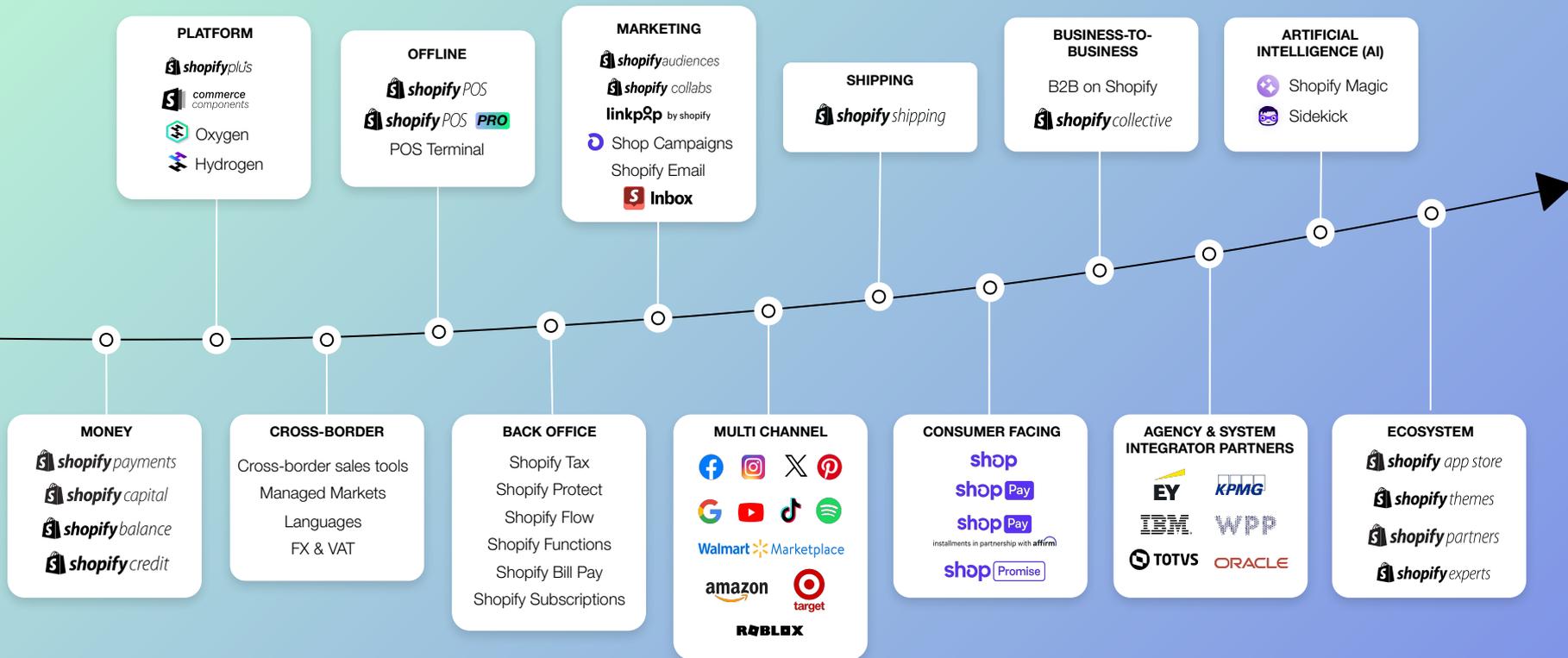
uncommon goods

FragranceX



\* Includes both launched and signed merchants as of February 10, 2025

# Merchant-first focus through product innovation



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

# Shopify Editions

Launching **100 to 150+ features and updates** every six months





# 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 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

    **amazon**

**Walmart Marketplace** 

## ... 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**

**ToysRUS**

*The Public Pet*

**WOLF & BADGER** **RETAIL**

**Casper** **PLUS**

*elph* CERAMICS

BRILLIANT EARTH™

**CROCS**™ **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.



## 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**



“We are now able to not only provide a better experience to existing customers, but also attract those who were not shopping with us before. To be able to do both, that’s really what the objective is.”

Michael Nadboy — Chief Marketing Officer

**shop Pay** ccs



## KICK GAME<sup>®</sup> ✨

“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.”

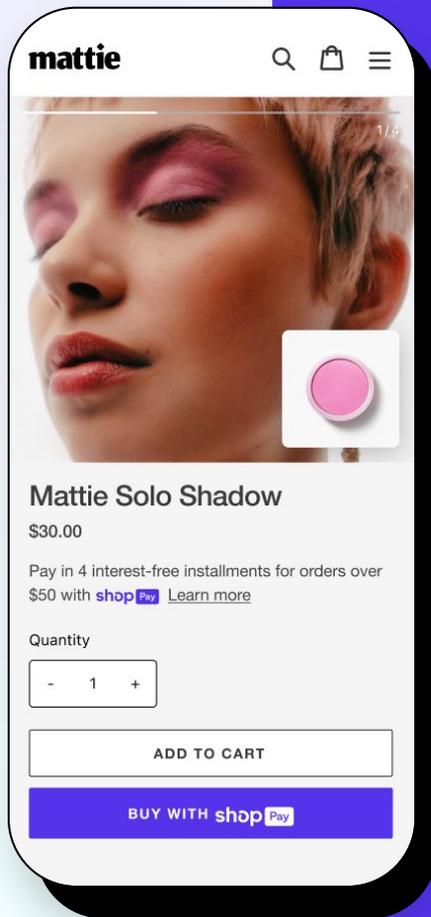
David Franks — Co-founder and CTO

**shopify POS**



# shop Pay

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



**Hundreds of Millions**  
buyers opted-in to Shop Pay

**\$202B** cumulative GMV\*  
since launch in 2017

**\$27B**

GMV in Q4 2024

↑ +50% YoY

**\$75B**

GMV in 2024

↑ +50% YoY

\* 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 **excels at building a global ecosystem**

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

## App & channel partners:



# 16,000+

Apps in our App Store  
(December 31, 2024)

# \$1.0B

Paid out in the last 12 months to  
partners by Shopify for apps benefiting  
our merchants (December 31, 2024)

## Product partners:

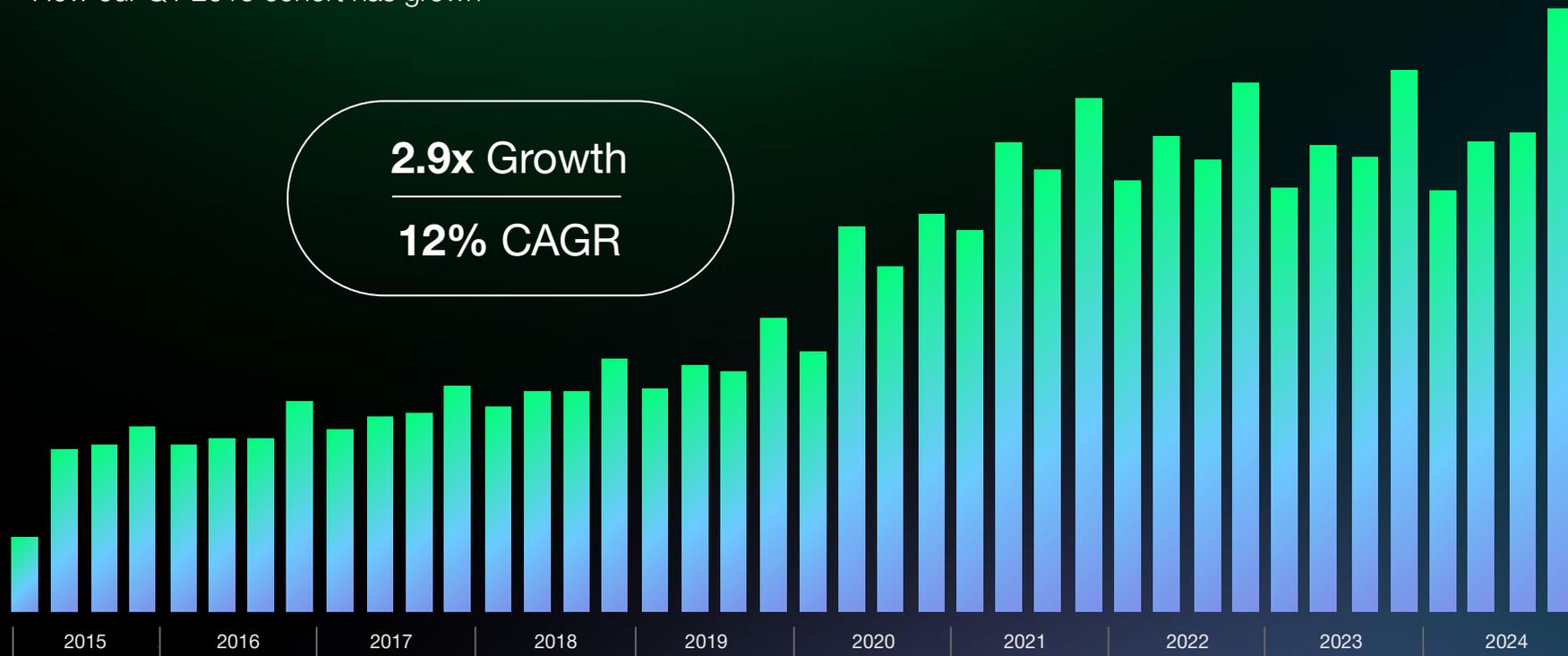


## Service & technology partners:



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

How our Q1 2015 cohort has grown



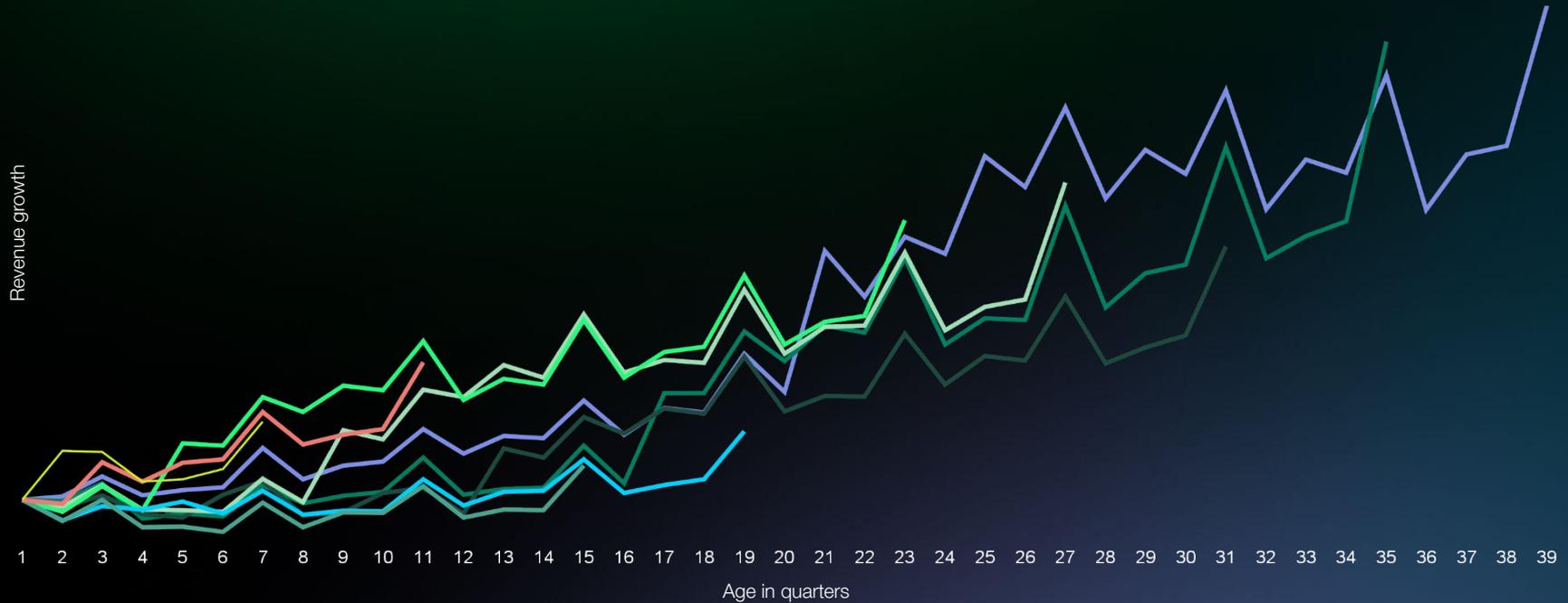
**2.9x Growth**  
**12% CAGR**



\*Example of quarterly revenue from a single cohort, the Q1 2015 merchant cohort, excluding Logistics (as of December 2024)  
\*\*Growth calculation reflects last four quarters of revenue reported (ending in Q4 2024) 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 ● Q1 2023



\*Examples of quarterly revenue retention from merchant cohorts, excluding Logistics

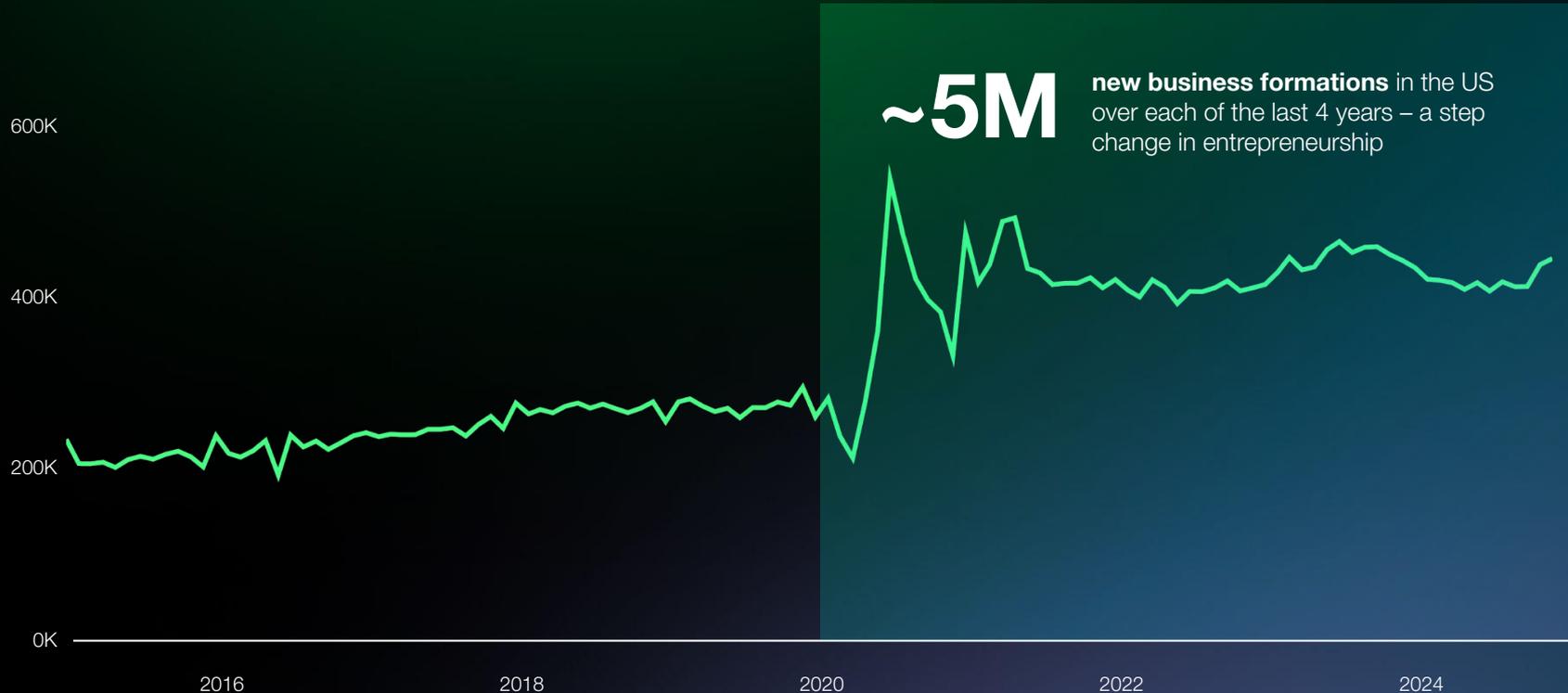
\*\*Revenue retention calculation reflects the quarterly revenue in a given period for each cohort divided by each cohort's first full fiscal quarter of revenue after joining the platform, respectively

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

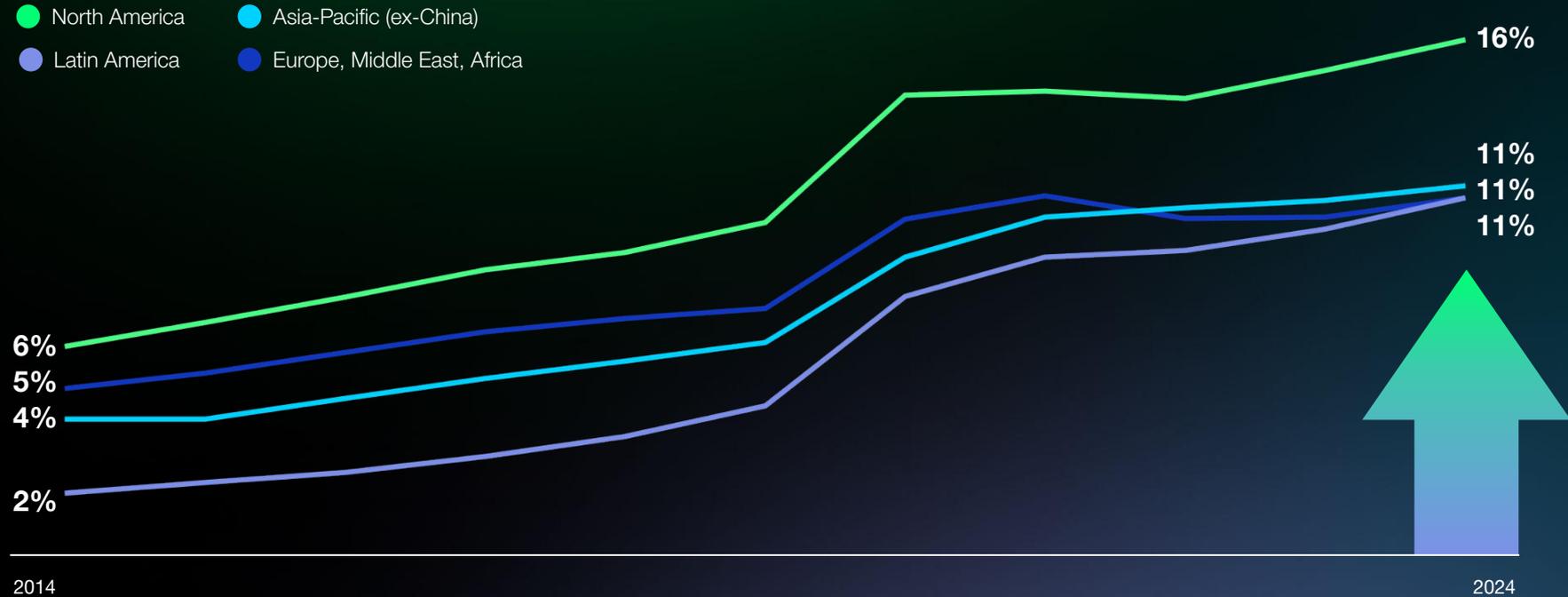
# Entrepreneurship is **more accessible and more important than ever**

Monthly new business applications (US)



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

Ecommerce penetration of retail sales



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

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

**\$849B**

Managed Markets

 **commerce components**

B2B on Shopify

 **shopify tax**

and more...

**\$153B**

 **shopify capital**

 **shopify balance**

**shop Pay** **Installments**

**\$46B**

Subscription Solutions

 **shopify payments**

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**

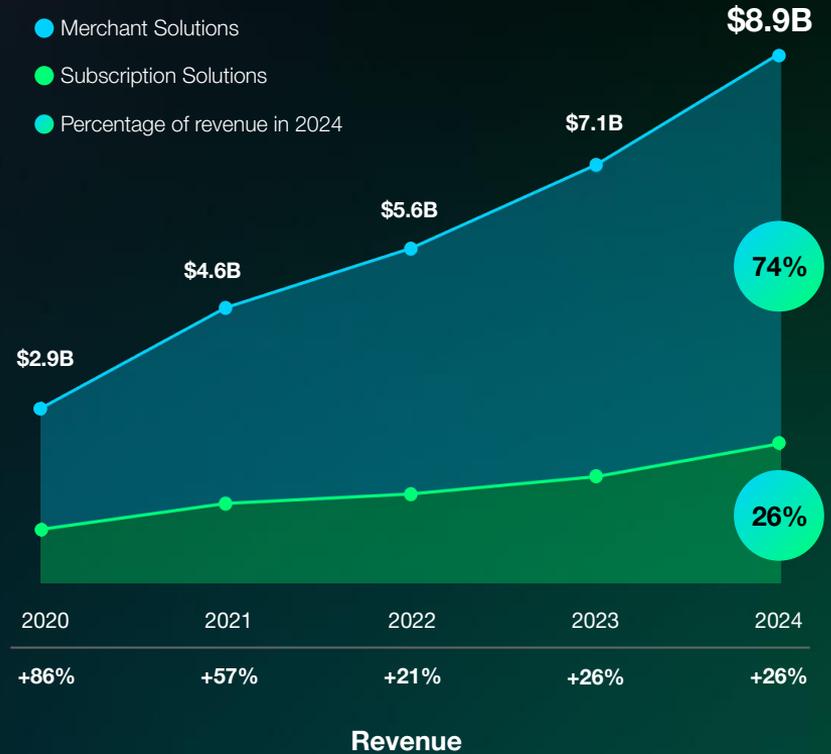
*Core geographies*

*2% penetrated*

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

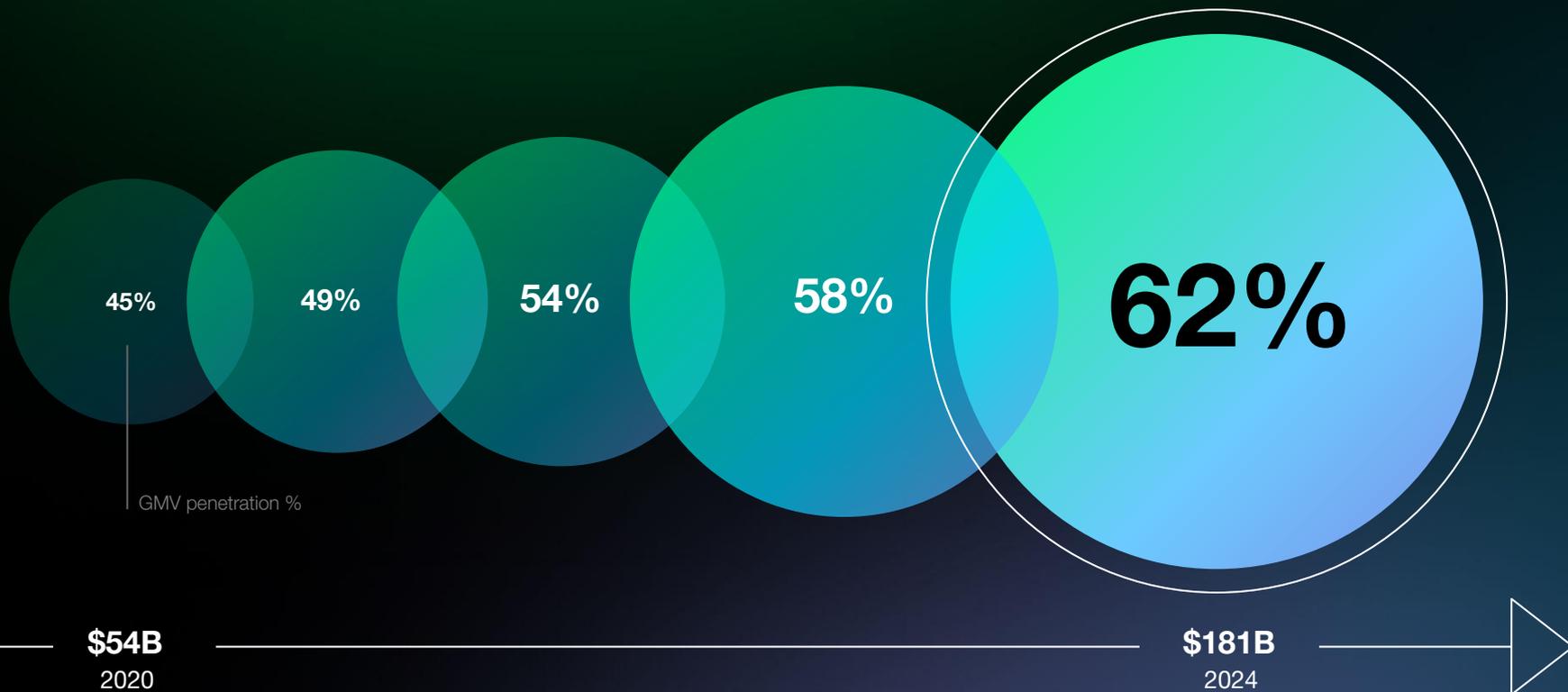
# Helping our merchants grow their business **drives our business**

Taking market share, while delivering 20% or greater GMV and revenue growth in the past two years



# 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

27% 5-Year CAGR

\$54M

\$178M

Q4 2019

Q4 2020

Q4 2021

Q4 2022

Q4 2023

Q4 2024

\* 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.

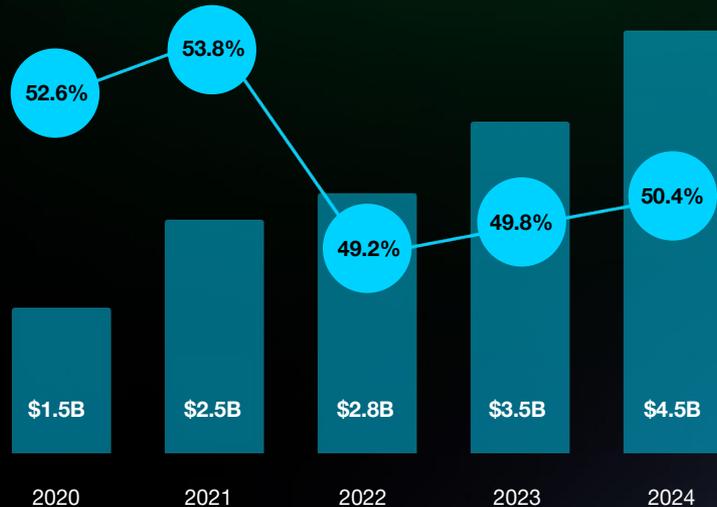


# Enabling a compelling business model of **growth and profitability**

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

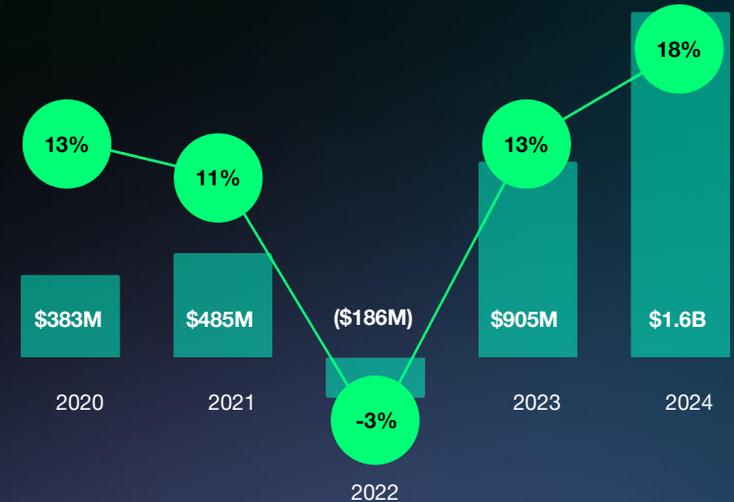
## Gross Profit

— Gross Margin ● Gross Profit



## Free Cash Flow\*

— Free cash flow margin ● Free cash flow



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

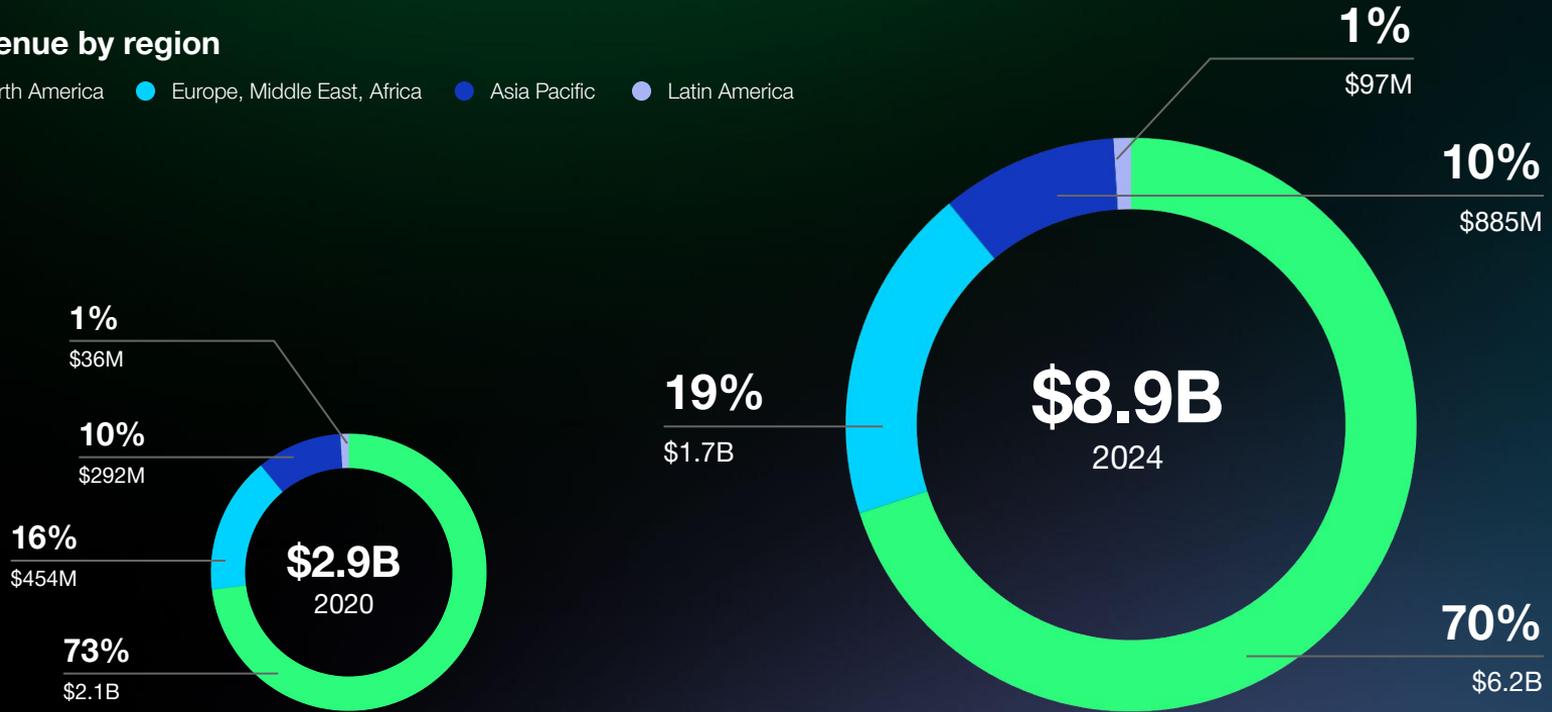


# International remains a **large and growing opportunity**

International revenue has grown nearly 3.5X since 2020

## Revenue by region

● North America ● Europe, Middle East, Africa ● Asia Pacific ● Latin America



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

# Consistent >20% growth in GMV and revenue, with Q4 growth accelerating



**6** consecutive quarters of

**GMV growth above 20%**

**7** consecutive quarters of

**25% or greater revenue growth, excluding logistics**

**9** consecutive quarters of

**positive free cash flow**

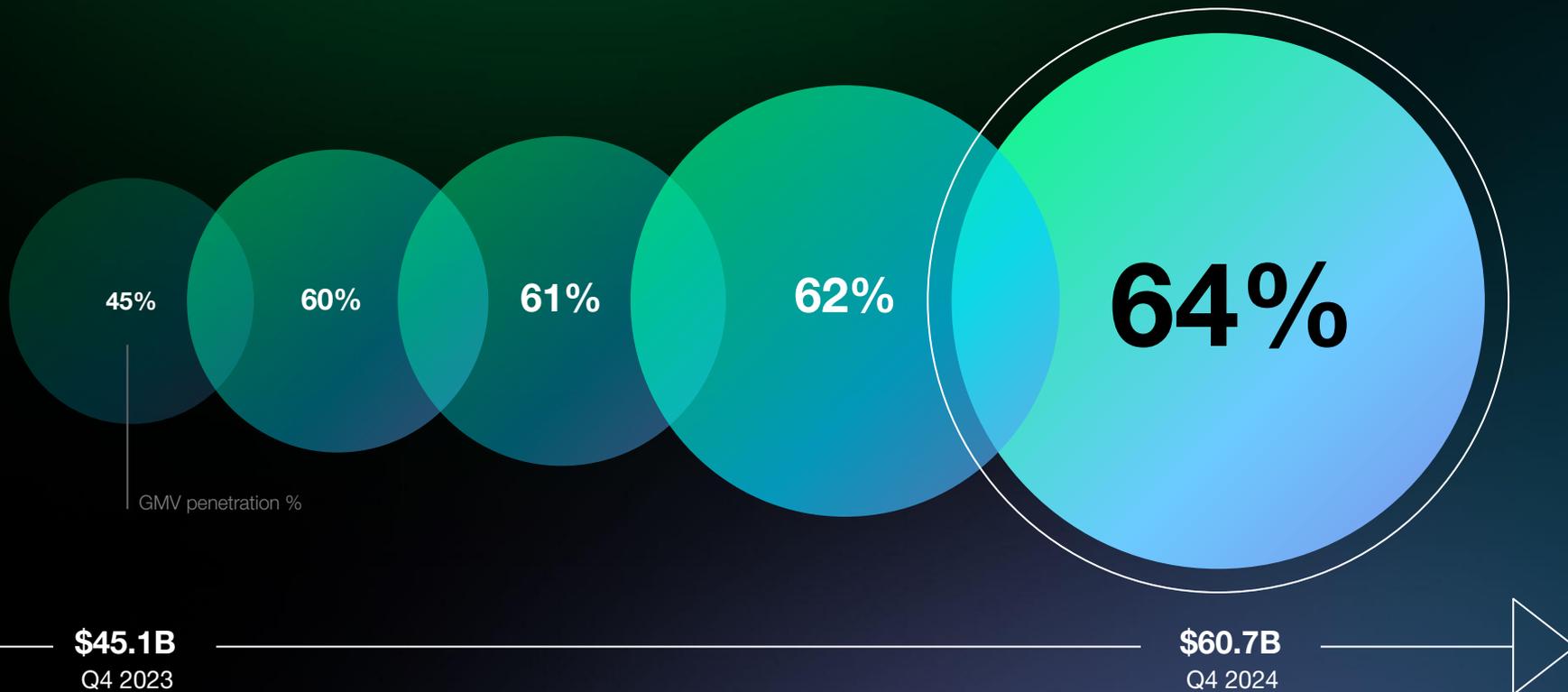
**6** consecutive quarters of

**double-digit free cash flow margin**



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

**Gross Payments Volume (GPV)\***



**\$45.1B**  
Q4 2023

**\$60.7B**  
Q4 2024

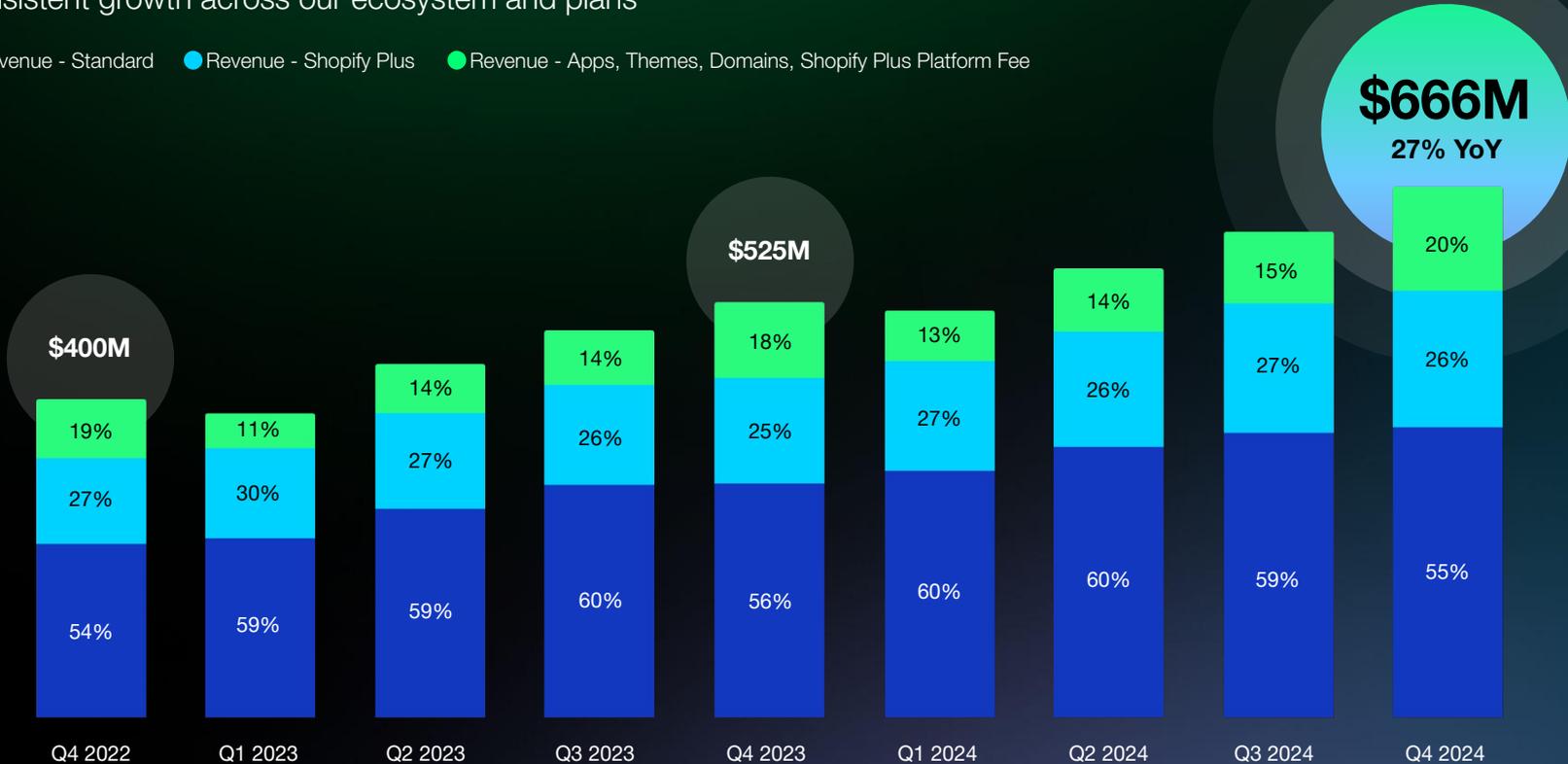


\*Gross Payments Volume, or GPV, is the amount of GMV processed through Shopify Payments

# Subscription solutions revenue **continues to increase year-over-year**

Consistent growth across our ecosystem and plans

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



\*Numbers may not foot due to rounding.

# Delivering **sustained and growing profitability**, year over year

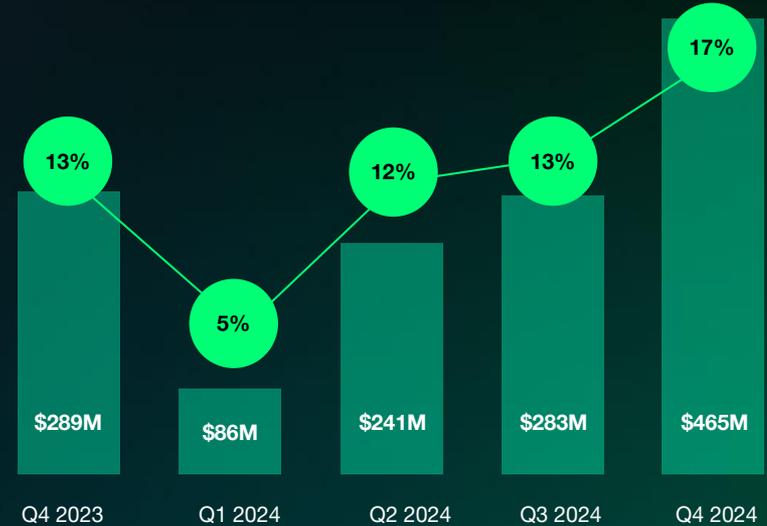
## Gross Profit

— Gross Margin ● Gross Profit



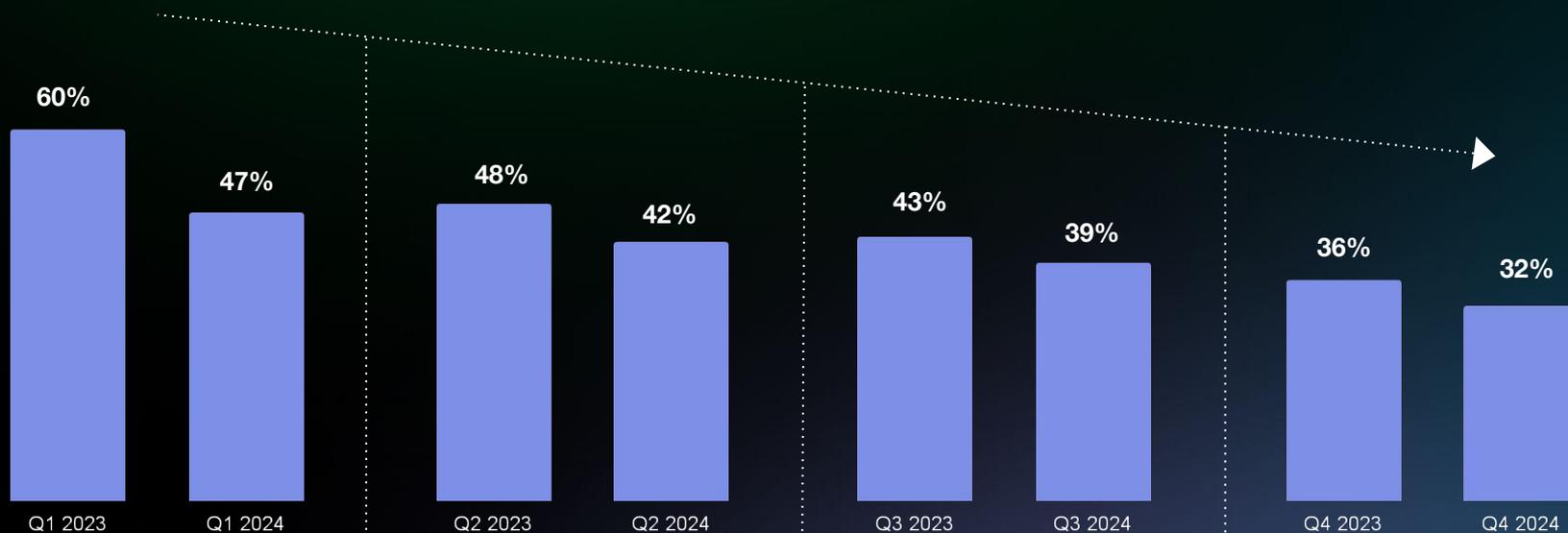
## Operating Income

— Operating Margin ● Operating Income



# In Q4, we reached our **lowest quarterly operating expenses as a percentage of revenue** since we went public a decade ago

● Total operating expenses, excluding one-time items, as a percentage of revenue

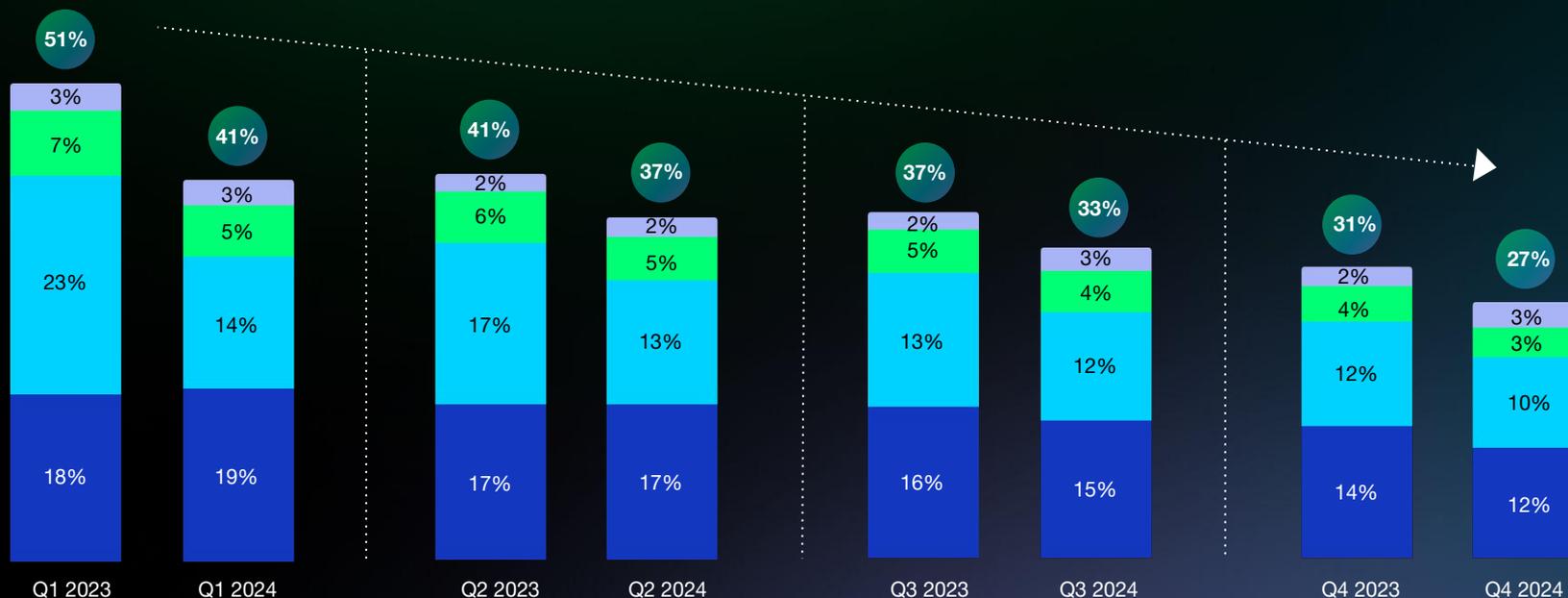


\* Chart depicts Operating Leverage, which is measured using Operating Expenses (Opex) as a percentage of revenue. Numbers may not foot due to rounding. Operating Expenses, excluding one-time items, is non-GAAP measure that is reconciled in the Appendix. Excludes one-time items including severance, loss on sale of businesses, real estate impairments, accelerated stock-based compensation and legal settlements.



# Remain committed to driving balanced levels of **operating leverage** with continued focus on key investments to support our long-term growth

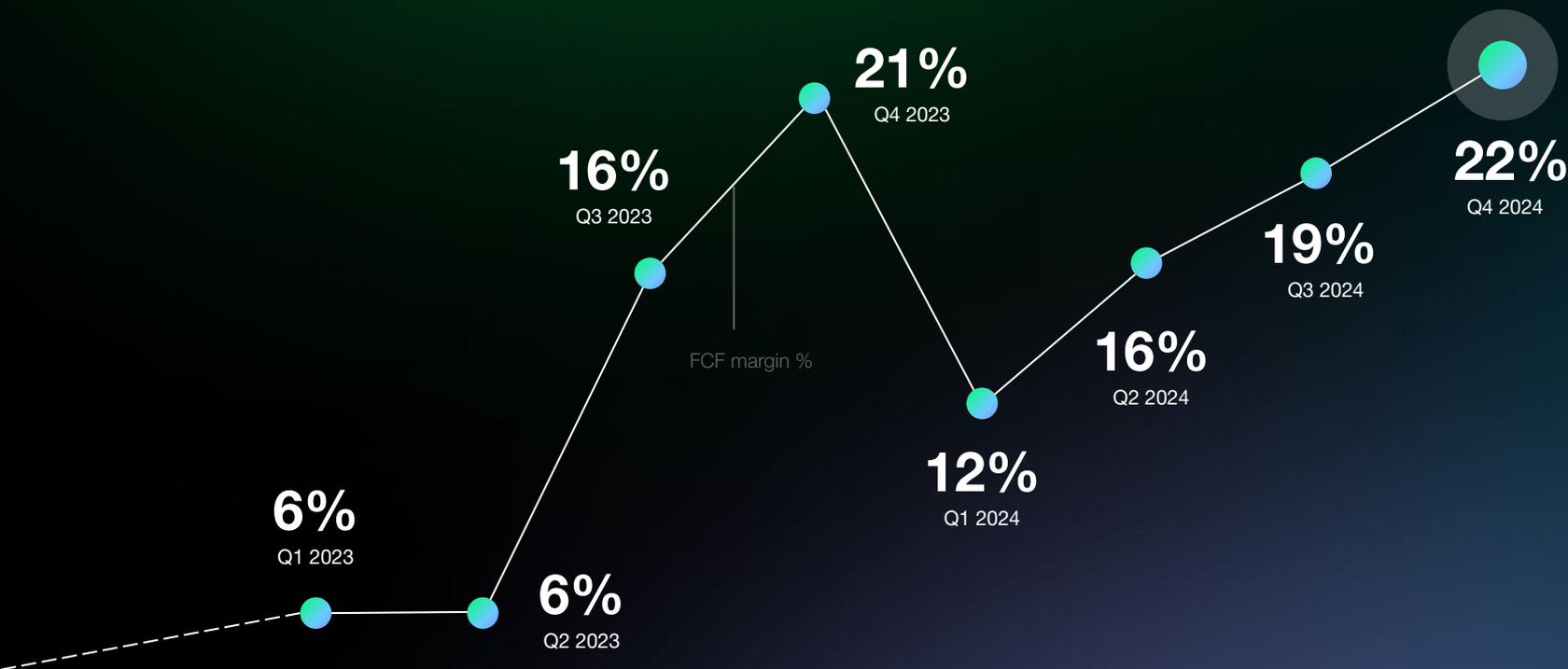
● Sales and marketing  
 ● Research and development  
 ● General and administrative  
 ● Transaction and loan losses  
 ● Total adjusted operating expenses as percentage of revenue



\* Chart depicts Operating Leverage, which is measured using Adjusted Operating Expenses (Opex) as a percentage of revenue. Numbers may not foot due to rounding. Adjusted Operating Expenses is non-GAAP measure that is reconciled in the Appendix. Excludes stock-based compensation, related payroll taxes, acquired intangibles and one-time items (severance, loss on sale of businesses, real estate impairments, accelerated stock-based compensation and legal settlements)



# Q4 free cash flow margin expanded QoQ and YoY, **delivering sixth consecutive quarter of double-digit free cash flow margin**



\* Free Cash Flow (FCF) margin is a non-GAAP financial measure. See "Non-GAAP and Other Financial Measures" in the Appendix for more information.  
Q2 2023 includes \$1.7B in one-time items from the impairment and acceleration of stock-based compensation related to the sales of our logistics businesses, as well as severance.

## Outlook

# Q1 2025

We expect the strong merchant momentum from Q4 to carry over into Q1, recognizing that Q1 is consistently our lowest GMV quarter seasonally.

With that backdrop, for the first-quarter of 2025 we expect:

- + **Revenue**

Revenue to grow at a mid-twenties percentage rate on a YoY basis

- + **Gross profit dollars**

Gross profit dollars to grow at a low-twenties rate on a YoY basis

- + **Operating expenses**

GAAP operating expense as a percentage of revenue to be 41% to 42%

- + **Stock-based compensation**

Stock-based compensation to be approximately \$120M

- + **Free cash flow margin**

Free cash flow margin to be in the mid-teens



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 2025 and beyond**

At a glance

**\$588M**

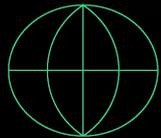
Offline revenue in 2024\*

**33%**

Offline revenue growth YoY

**1,000+**

POS location capacity



**15 countries**

POS hardware with integrated Payments

Q4 2024

**+26%**

Offline GMV growth YoY

**SKIMS**



**BEAMS**

**\$100B+**

Cumulative offline GMV since launch of Shopify POS

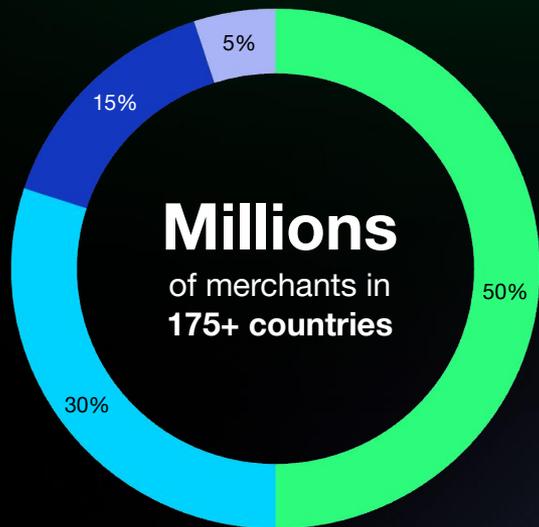


\*Offline revenue includes revenue from Shopify Payments for offline, POS Pro, Retail Plan subscriptions, and POS hardware.

## Going global

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

● North America ● Europe, Middle East, Africa ● Asia Pacific ● Latin America



## North America

# 70%

of revenue in 2024

up 23% YoY

## International

# 30%

of revenue in 2024

up 33% YoY

- + Introduced **Shopify Tax** to the UK and EU
- + Expanded **POS Terminal** to 8 additional countries
- + Integrated **Payments into Shopify POS** in France
- + Added more **local shipping carrier options** for merchants in Europe and the UK
- + Rolled out Klarna as a **local payment method** in Shopify Payments to 4 additional countries



\* Represents the distribution of our merchant base as of December 31, 2024

## Enterprise

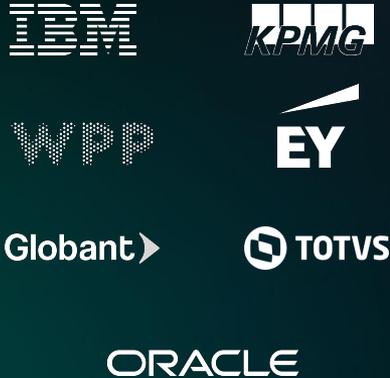
Our enterprise-level offerings, **whether full-stack, headless, or composable**, are gaining widespread recognition built on a powerful go-to-market strategy

### Industry recognition

2024

- + Independent study confirmed - **Best TCO in commerce\***
- + Forrester Wave Report - **Leader in B2B**
- + IDC - **Leader in mid-market**
- + Gartner Magic Quadrant for Digital Commerce - **Leader in enterprise**

### Building powerful partnerships



### High-volume brands who said yes to Shopify in 2024



## 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 operating expenses is a non-GAAP financial measure that excludes the effect of stock-based compensation expenses and related payroll taxes, amortization of acquired intangibles, 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. Operating expenses, excluding one time items, is a non-GAAP financial measure that excludes 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 operating expenses, excluding one-time items 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.

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.

February 2025

# Reconciliation of GAAP operating expenses to adjusted operating expenses

Expressed in US millions \$, except percentages

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
<b>GAAP Sales and marketing</b>	287	321	295	317	361	353	331	348
less: Sales and marketing SBC and related payroll taxes	15	12	13	14	12	10	15	13
less: Accelerated stock-based compensation	-	1	4	-	-	-	-	-
less: Amortization of acquired intangibles	2	1	-	-	-	-	-	1
less: Severance related costs	-	28	-	-	-	-	-	-
<b>Adjusted Sales and marketing</b>	<b>270</b>	<b>279</b>	<b>278</b>	<b>303</b>	<b>349</b>	<b>343</b>	<b>316</b>	<b>334</b>
<b>% of Revenue</b>	<b>18%</b>	<b>16%</b>	<b>16%</b>	<b>14%</b>	<b>19%</b>	<b>17%</b>	<b>15%</b>	<b>12%</b>
<b>GAAP Research and development</b>	458	648	313	311	335	349	332	351
less: Research and development SBC and related payroll taxes	106	88	70	69	72	73	77	81
less: Accelerated stock-based compensation	-	164	-	-	-	-	-	-
less: Severance related costs	-	102	-	-	-	-	-	-
less: Amortization of acquired intangibles	-	-	-	-	-	-	1	-
<b>Adjusted Research and development</b>	<b>352</b>	<b>294</b>	<b>243</b>	<b>242</b>	<b>263</b>	<b>276</b>	<b>254</b>	<b>270</b>
<b>% of Revenue</b>	<b>23%</b>	<b>17%</b>	<b>14%</b>	<b>11%</b>	<b>14%</b>	<b>13%</b>	<b>12%</b>	<b>10%</b>

Expressed in US millions \$, except percentages

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
<b>GAAP General and administrative</b>	<b>123</b>	<b>131</b>	<b>137</b>	<b>100</b>	<b>124</b>	<b>60</b>	<b>114</b>	<b>112</b>
less: General and administrative SBC and related payroll taxes	18	19	20	19	26	23	23	24
less: Impairment of right-of-use assets and leasehold improvements	-	-	38	-	-	-	-	-
less: Severance related costs	-	18	-	-	-	-	-	-
less: Litigation contingencies / benefit related to legal contingencies	-	-	-	-	-	(55)	-	-
<b>Adjusted General and administrative</b>	<b>105</b>	<b>94</b>	<b>79</b>	<b>81</b>	<b>98</b>	<b>92</b>	<b>91</b>	<b>88</b>
<b>% of Revenue</b>	<b>7%</b>	<b>6%</b>	<b>5%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>4%</b>	<b>3%</b>
<b>GAAP Transaction and loan losses</b>	<b>42</b>	<b>31</b>	<b>34</b>	<b>45</b>	<b>51</b>	<b>42</b>	<b>58</b>	<b>76</b>
<b>% of Revenue</b>	<b>3%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>
<b>GAAP Operating expenses</b>	<b>910</b>	<b>2,471</b>	<b>779</b>	<b>773</b>	<b>871</b>	<b>804</b>	<b>835</b>	<b>887</b>
less: Operating SBC and related payroll taxes	139	119	103	102	110	106	115	118
less: Accelerated stock-based compensation	-	165	4	-	-	-	-	-
less: Amortization of acquired intangibles	2	1	-	-	-	-	1	1
less: Impairment of right-of-use assets and leasehold improvements	-	-	38	-	-	-	-	-
less: Severance related costs	-	148	-	-	-	-	-	-
less: Litigation contingencies / benefit related to legal contingencies	-	-	-	-	-	(55)	-	-
less: Impairment on sale of Shopify's logistics businesses	-	1,340	-	-	-	-	-	-
<b>Adjusted Operating expenses</b>	<b>769</b>	<b>698</b>	<b>634</b>	<b>671</b>	<b>761</b>	<b>753</b>	<b>719</b>	<b>768</b>
<b>% of Revenue</b>	<b>51%</b>	<b>41%</b>	<b>37%</b>	<b>31%</b>	<b>41%</b>	<b>37%</b>	<b>33%</b>	<b>27%</b>

# Reconciliation of GAAP operating expenses to operating expenses, excluding one-time items

Expressed in US millions \$, except percentages

	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
<b>GAAP Operating expenses</b>	<b>910</b>	<b>2,471</b>	<b>779</b>	<b>773</b>	<b>871</b>	<b>804</b>	<b>835</b>	<b>887</b>
less: Accelerated stock-based compensation	-	165	4	-	-	-	-	-
less: Impairment of right-of-use assets and leasehold improvements	-	-	38	-	-	-	-	-
less: Severance related costs	-	148	-	-	-	-	-	-
less: Litigation contingencies / benefit related to legal contingencies	-	-	-	-	-	(55)	-	-
less: Impairment on sale of Shopify's logistics businesses	-	1,340	-	-	-	-	-	-
<b>Operating expenses, excluding one-time items</b>	<b>910</b>	<b>818</b>	<b>737</b>	<b>773</b>	<b>871</b>	<b>859</b>	<b>835</b>	<b>887</b>
<b>% of Revenue</b>	<b>60%</b>	<b>48%</b>	<b>43%</b>	<b>36%</b>	<b>47%</b>	<b>42%</b>	<b>39%</b>	<b>32%</b>

# Reconciliation of free cash flow

In US \$ millions, except percentages; Year end, except as otherwise noted	2020	2021	2022	2023	2024	Q4'23	Q4'24
Net cash provided by (used in) operating activities	425	536	(136)	944	1,616	448	615
less: Capital expenditures*	(42)	(51)	(50)	(39)	(19)	(2)	(4)
Free cash flow	383	485	(186)	905	1,597	446	611
Revenue	2,929	4,612	5,600	7,060	8,880	2,144	2,812
Free cash flow margin	13%	11%	(3)%	13%	18%	21%	22%

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



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