

Shopify Inc.
Consolidated Balance Sheets
Expressed in US \$000's except share amounts

		As at	
		December 31, 2019	December 31, 2018
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	649,916	410,683
Marketable securities	5	1,805,278	1,558,987
Trade and other receivables, net	6	90,529	41,347
Merchant cash advances and loans receivable, net	7	150,172	91,873
Other current assets	8	48,833	26,192
		2,744,728	2,129,082
Long-term assets			
Property and equipment, net	9	111,398	61,612
Intangible assets, net	10	167,282	26,072
Right-of-use assets	11	134,774	—
Deferred tax assets	19	19,432	—
Goodwill	12	311,865	38,019
		744,751	125,703
Total assets		3,489,479	2,254,785
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities	13	181,193	96,956
Income taxes payable	19	69,432	—
Deferred revenue	14	56,691	39,180
Lease liabilities	11	9,066	2,552
		316,382	138,688
Long-term liabilities			
Deferred revenue	14	5,969	1,881
Lease liabilities	11	142,641	22,316
Deferred tax liabilities	19	8,753	1,132
		157,363	25,329
Commitments and contingencies	11, 16		
Shareholders' equity			
Common stock, unlimited Class A subordinate voting shares authorized, 104,518,173 and 98,081,889 issued and outstanding; unlimited Class B multiple voting shares authorized, 11,910,802 and 12,310,800 issued and outstanding	17	3,256,284	2,215,936
Additional paid-in capital		62,628	74,805
Accumulated other comprehensive income (loss)	18	1,046	(12,216)
Accumulated deficit	3	(304,224)	(187,757)
Total shareholders' equity		3,015,734	2,090,768
Total liabilities and shareholders' equity		3,489,479	2,254,785

The accompanying notes are an integral part of these consolidated financial statements.

On Behalf of the Board:

"/s/ Tobias Lütke"

Tobias Lütke

Chair, Board of Directors

"/s/ Colleen Johnston"

Colleen Johnston

Chair, Audit Committee

Shopify Inc.
Consolidated Statements of Operations and Comprehensive Loss
Expressed in US \$000's, except share and per share amounts

		Years ended	
		December 31, 2019	December 31, 2018
	Note	\$	\$
Revenues			
Subscription solutions	21	642,241	464,996
Merchant solutions	21	935,932	608,233
		1,578,173	1,073,229
Cost of revenues			
Subscription solutions		128,155	100,990
Merchant solutions		584,375	375,972
		712,530	476,962
Gross profit		865,643	596,267
Operating expenses			
Sales and marketing		472,841	350,069
Research and development		355,015	230,674
General and administrative		178,934	107,444
Total operating expenses		1,006,790	688,187
Loss from operations		(141,147)	(91,920)
Other income			
Interest income, net		48,182	29,436
Foreign exchange loss		(2,850)	(2,069)
		45,332	27,367
Loss before income taxes		(95,815)	(64,553)
Provision for income taxes	19	29,027	—
Net loss		(124,842)	(64,553)
Other comprehensive income (loss)			
Unrealized gain (loss) on cash flow hedges	18	18,046	(15,651)
Tax effect on unrealized gain (loss) on cash flow hedges		(4,784)	—
Comprehensive loss		(111,580)	(80,204)
Basic and diluted net loss per share attributable to shareholders	20	\$ (1.10)	\$ (0.61)
Weighted average shares used to compute basic and diluted net loss per share attributable to shareholders	20	113,026,424	105,671,839

The accompanying notes are an integral part of these consolidated financial statements.

Shopify Inc.
Consolidated Statements of Cash Flows
Expressed in US \$000's

		Years ended	
		December 31, 2019	December 31, 2018
	Note	\$	\$
Cash flows from operating activities			
Net loss for the year		(124,842)	(64,553)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Amortization and depreciation		35,651	27,052
Stock-based compensation		158,456	95,720
Provision for uncollectible receivables related to merchant cash advances and loans receivable	7	15,912	5,922
Deferred income taxes		(37,918)	—
Unrealized foreign exchange loss		3,181	1,272
Changes in operating assets and liabilities:			
Trade and other receivables		(56,181)	(32,649)
Merchant cash advances and loans receivable		(74,211)	(50,694)
Other current assets		(12,401)	(10,816)
Accounts payable and accrued liabilities		84,563	20,641
Income tax assets and liabilities		64,648	—
Deferred revenue		12,305	9,015
Lease assets and liabilities		1,452	8,414
Net cash provided by operating activities		70,615	9,324
Cash flows from investing activities			
Purchase of marketable securities		(2,718,604)	(2,447,955)
Maturity of marketable securities		2,477,038	1,698,264
Acquisitions of property and equipment		(56,759)	(27,950)
Acquisitions of intangible assets		(5,638)	(13,595)
Acquisition of businesses, net of cash acquired	22	(265,512)	(19,397)
Net cash used by investing activities		(569,475)	(810,633)
Cash flows from financing activities			
Proceeds from the exercise of stock options		48,337	30,494
Proceeds from public offering, net of issuance costs	17	688,014	1,041,688
Net cash provided by financing activities		736,351	1,072,182
Effect of foreign exchange on cash and cash equivalents		1,742	(1,867)
Net increase in cash and cash equivalents		239,233	269,006
Cash and cash equivalents – Beginning of Year		410,683	141,677
Cash and cash equivalents – End of Year		649,916	410,683
Supplemental cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities included in cash flows from operating activities		15,611	—
Lease liabilities arising from obtaining right-of-use assets		153,053	—
Acquired property and equipment remaining unpaid		7,878	1,931
Acquired intangible assets remaining unpaid		—	322
Capitalized stock-based compensation		854	1,970

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