SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of	**October**	**2021**
Commission File Number	**001-37400**	

Shopify Inc.

(Translation of registrant's name into English)

151 O'Connor Street, Ground Floor
Ottawa, Ontario, Canada K2P 2L8

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F   Form 40-F **X**

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):_____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

DOCUMENTS INCLUDED AS PART OF THIS REPORT

Exhibit

99.1 Shopify Inc. – Interim Financial Statements for the Third Quarter ended September 30, 2021

99.2 Shopify Inc. – Interim Management's Discussion and Analysis for the Third Quarter ended September 30, 2021

99.3 Shopify Inc. – Form 52-109F2 Certificate of Interim Filings by CEO (pursuant to Canadian regulations)

99.4 Shopify Inc. – Form 52-109F2 Certificate of Interim Filings by CFO (pursuant to Canadian regulations)

Exhibits 99.1 and 99.2 of this Report on Form 6-K are incorporated by reference into the Registration Statement on Form F-10 of the Registrant, which was originally filed with the Securities and Exchange Commission on July 28, 2020 (as amended, July 27, 2021) (File No. 333-258189), the Registration Statement on Form S-8 of the Registrant, which was originally filed with the Securities and Exchange Commission on May 29, 2015 (File No. 333-204568), the Registration Statement on Form S-8 of the Registrant, which was originally filed with the Securities and Exchange Commission on May 12, 2016 (File No. 333-211305) the Registration Statement on Form S-8 of the Registrant, which was originally filed with the Securities and Exchange Commission on October 17, 2019 (File No. 333-234341) and the Registration Statement on Form S-8 of the Registrant, which was originally filed with the Securities and Exchange Commission on July 28, 2021 (File No. 333-258230).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

			Shopify Inc.
			(Registrant)
Date:	October 28, 2021	By:	/s/ Erin Zipes
			Name: Erin Zipes Title: Corporate Secretary

EXHIBIT 99.1

Condensed Consolidated
Financial Statements
(unaudited)
September 30, 2021

Shopify Inc.
Condensed Consolidated Balance Sheets
(unaudited)
Expressed in US $000's except share amounts

	Note	As at September 30, 2021 $	As at December 31, 2020 $
Assets			
Current assets			
Cash and cash equivalents	*4*	2,189,613	2,703,597
Marketable securities	*4*	5,329,081	3,684,370
Trade and other receivables, net	*6*	151,773	120,752
Merchant cash advances, loans and related receivables, net	*7*	524,020	244,723
Income taxes receivable	*15*	57,372	56,067
Other current assets		80,892	68,247
		8,332,751	6,877,756
Long-term assets			
Property and equipment, net	*8*	91,787	92,104
Intangible assets, net		141,929	135,676
Right-of-use assets, net	*8*	123,414	119,373
Deferred tax assets	*15*	52,073	52,677
Equity and other investments ($3,916,910 and $nil, at fair value)	*5*	4,445,132	173,454
Goodwill	*9*	349,432	311,865
		5,203,767	885,149
Total assets		13,536,518	7,762,905
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		350,588	300,795
Income taxes payable	*15*	26,498	19,677
Deferred revenue	*6*	203,853	107,809
Lease liabilities	*8*	15,618	10,051
		596,557	438,332
Long-term liabilities			
Deferred revenue	*6*	174,483	21,006
Lease liabilities	*8*	174,190	144,836
Convertible senior notes	*3, 10*	910,376	758,008
Deferred tax liabilities	*15*	310,635	—
		1,569,684	923,850
Commitments and contingencies	*8, 12*		
Shareholders' equity			
Common stock, unlimited Class A subordinate voting shares authorized, 113,607,328 and 110,929,570 issued and outstanding; unlimited Class B multiple voting shares authorized, 11,967,828 and 11,599,301 issued and outstanding	*13*	7,930,690	6,115,232
Additional paid-in capital		136,024	261,436
Accumulated other comprehensive (loss) income	*14*	(5,890)	8,770
Retained earnings		3,309,453	15,285
Total shareholders' equity		11,370,277	6,400,723
Total liabilities and shareholders' equity		13,536,518	7,762,905

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

Shopify Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income
(unaudited)
Expressed in US $000's, except share and per share amounts

		Three months ended		Nine months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	Note	$	$	$	$
Revenues					
Subscription solutions		336,208	245,274	991,126	629,317
Merchant solutions		787,532	522,131	2,240,706	1,322,430
		1,123,740	767,405	3,231,832	1,951,747
Cost of revenues					
Subscription solutions		67,355	52,170	188,764	134,282
Merchant solutions		447,476	310,087	1,254,583	780,333
		514,831	362,257	1,443,347	914,615
Gross profit		608,909	405,148	1,788,485	1,037,132
Operating expenses					
Sales and marketing		237,949	147,608	626,082	447,320
Research and development		221,028	143,427	580,471	393,050
General and administrative		128,722	51,799	273,790	179,948
Transaction and loan losses		25,311	11,753	53,903	39,202
Total operating expenses		613,010	354,587	1,534,246	1,059,520
(Loss) income from operations		(4,101)	50,561	254,239	(22,388)
Other income, net					
Interest income		4,516	3,788	10,438	20,207
Interest expense		(872)	(1,238)	(2,615)	(1,238)
Net unrealized gain on equity and other investments	*5*	1,340,842	133,239	3,369,535	133,239
Foreign exchange gain (loss)		67	17	(2,286)	791
Total other income, net		1,344,553	135,806	3,375,072	152,999
Income before income taxes		1,340,452	186,367	3,629,311	130,611
(Provision for) recovery of income taxes	*15*	(192,020)	4,701	(343,341)	65,026
Net income		1,148,432	191,068	3,285,970	195,637
Net income per share attributable to shareholders:					
Basic	*16*	$ 9.18	$ 1.59	$ 26.44	$ 1.65
Diluted	*16*	$ 9.00	$ 1.54	$ 25.84	$ 1.59
Shares used to compute net income per share attributable to shareholders:					
Basic	*16*	125,071,460	120,511,484	124,297,069	118,692,898
Diluted	*16*	127,619,188	124,908,279	127,263,746	123,399,606
Other comprehensive (loss) income					
Unrealized (loss) gain on cash flow hedges	*14*	(12,508)	6,346	(19,947)	(1,790)
Tax effect on unrealized (loss) gain on cash flow hedges	*14*	3,315	(2,156)	5,287	—
Comprehensive income		1,139,239	195,258	3,271,310	193,847

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

Shopify Inc.
Condensed Consolidated Statements of Changes in Shareholders' Equity
(unaudited)
Expressed in US $000's except share amounts

	Note	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
		Shares	Amount $	$	$	$	$
As at December 31, 2019		**116,428,975**	**3,256,284**	**62,628**	**1,046**	**(304,224)**	**3,015,734**
Exercise of stock options		409,965	30,753	(11,326)	—	—	19,427
Stock-based compensation		—	—	53,752	—	—	53,752
Vesting of restricted share units		385,757	46,370	(46,370)	—	—	—
Net loss and comprehensive loss for the period		—	—	—	(16,633)	(31,429)	(48,062)
As at March 31, 2020		**117,224,697**	**3,333,407**	**58,684**	**(15,587)**	**(335,653)**	**3,040,851**
Exercise of stock options		454,851	30,272	(12,104)	—	—	18,168
Stock-based compensation		—	—	62,324	—	—	62,324
Vesting of restricted share units		288,428	35,326	(35,326)	—	—	—
Issuance of Class A subordinate voting shares, net of offering costs of $26,804, net of tax of $1,501	*13, 18*	2,127,500	1,462,446	—	—	—	1,462,446
Net income and comprehensive income for the period		—	—	—	10,653	35,998	46,651
As at June 30, 2020		**120,095,476**	**4,861,451**	**73,578**	**(4,934)**	**(299,655)**	**4,630,440**
Exercise of stock options		305,848	20,701	(8,220)	—	—	12,481
Stock-based compensation		—	—	63,807	—	—	63,807
Vesting of restricted share units		245,875	36,802	(36,802)	—	—	—
Issuance of Class A subordinate voting shares, net of offering costs of $19,749, net of tax of $1,105	*13, 18*	1,265,000	1,118,751	—	—	—	1,118,751
Equity component of the convertible senior notes, net of offering costs of $1,994, net of tax of $112	*10, 18*	—	—	158,810	—	—	158,810
Net income and comprehensive income for the period		—	—	—	4,190	191,068	195,258
As at September 30, 2020		**121,912,199**	**6,037,705**	**251,173**	**(744)**	**(108,587)**	**6,179,547**

Shopify Inc.
Condensed Consolidated Statements of Changes in Shareholders' Equity
(unaudited)
Expressed in US $000's except share amounts

		Common Stock					
	Note	**Shares**	**Amount $**	**Additional Paid-In Capital $**	**Accumulated Other Comprehensive Income (Loss) $**	**Retained Earnings $**	**Total $**
As at December 31, 2020		**122,528,871**	**6,115,232**	**261,436**	**8,770**	**15,285**	**6,400,723**
Adjustment related to the adoption of ASU 2020-06, Debt	*3*	—	—	(158,810)	—	8,198	(150,612)
As at January 1, 2021		**122,528,871**	**6,115,232**	**102,626**	**8,770**	**23,483**	**6,250,111**
Exercise of stock options		349,730	35,681	(12,756)	—	—	22,925
Stock-based compensation		—	—	69,156	—	—	69,156
Vesting of restricted share units		268,711	66,113	(66,113)	—	—	—
Issuance of Class A subordinate voting shares, net of offering costs of $7,742, net of tax of $2,790	*13*	1,180,000	1,543,958	—	—	—	1,543,958
Net income and comprehensive income for the period		—	—	—	(2,724)	1,258,445	1,255,721
As at March 31, 2021		**124,327,312**	**7,760,984**	**92,913**	**6,046**	**1,281,928**	**9,141,871**
Exercise of stock options		268,958	31,828	(11,463)	—	—	20,365
Stock-based compensation		—	—	81,958	—	—	81,958
Vesting of restricted share units		167,170	45,012	(45,012)	—	—	—
Net income and comprehensive income for the period		—	—	—	(2,743)	879,093	876,350
As at June 30, 2021		**124,763,440**	**7,837,824**	**118,396**	**3,303**	**2,161,021**	**10,120,544**
Exercise of stock options		674,184	45,588	(16,434)	—	—	29,154
Stock-based compensation		—	—	81,340	—	—	81,340
Vesting of restricted share units		137,532	47,278	(47,278)	—	—	—
Net income and comprehensive income for the period		—	—	—	(9,193)	1,148,432	1,139,239
As at September 30, 2021		**125,575,156**	**7,930,690**	**136,024**	**(5,890)**	**3,309,453**	**11,370,277**

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

Shopify Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)
Expressed in US $000's

		Nine months ended	
	Note	**September 30, 2021** **$**	**September 30, 2020** **$**
Cash flows from operating activities			
Net income for the period		3,285,970	195,637
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization and depreciation		44,067	52,167
Stock-based compensation		232,454	179,883
Amortization of debt offering costs	*10*	1,756	1,200
Impairment of right-of-use assets and leasehold improvements	*8*	30,145	31,623
Provision for transaction and loan losses		25,723	19,954
Deferred income tax expense		306,849	5,598
Revenue related to non-cash consideration		(37,425)	(1,738)
Net unrealized gain on equity and other investments	*5*	(3,369,535)	(133,239)
Unrealized foreign exchange loss (gain)		3,741	(1,186)
Changes in operating assets and liabilities:			
Trade and other receivables		(30,267)	(21,053)
Merchant cash advances, loans and related receivables		(307,245)	(112,447)
Other current assets		(27,301)	(17,441)
Non-cash consideration received in exchange for services		(257,577)	(24,710)
Accounts payable and accrued liabilities		39,392	86,067
Income tax assets and liabilities		13,593	(139,936)
Deferred revenue	*18*	286,946	58,935
Lease assets and liabilities		2,684	278
Net cash provided by operating activities		243,970	179,592
Cash flows from investing activities			
Purchase of marketable securities		(5,616,479)	(3,661,092)
Maturity of marketable securities		3,965,755	2,436,216
Purchase of equity and other investments		(642,566)	(10,051)
Acquisitions of property and equipment		(24,813)	(35,377)
Acquisitions of intangible assets		—	(262)
Acquisition of businesses, net of cash acquired	*17*	(49,800)	—
Net cash used in investing activities		(2,367,903)	(1,270,566)
Cash flows from financing activities			
Proceeds from public equity offerings, net of issuance costs	*13*	1,541,168	2,578,591
Proceeds from convertible senior notes, net of underwriting fees and offering costs		—	907,950
Proceeds from the exercise of stock options		72,444	50,076
Net cash provided by financing activities		1,613,612	3,536,617
Effect of foreign exchange on cash and cash equivalents		(3,663)	(5,675)
Net (decrease) increase in cash and cash equivalents		(513,984)	2,439,968
Cash and cash equivalents – Beginning of Period		2,703,597	649,916
Cash and cash equivalents – End of Period		2,189,613	3,089,884
Supplemental cash flow information:			
Cash paid for amounts included in the measurement of lease liabilities included in cash flows from operating activities		19,612	15,921
Lease liabilities arising from obtaining right-of-use assets		40,626	24,429
Acquired property and equipment remaining unpaid		4,780	1,187

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

1. Nature of Business

Shopify Inc. (“Shopify” or the “Company”) was incorporated as a Canadian corporation on September 28, 2004. Shopify is a leading provider of essential internet infrastructure for commerce, offering trusted tools to start, grow, market, and manage a retail business of any size. Shopify makes commerce better for everyone with a platform and services that are engineered for reliability, while delivering a better shopping experience for consumers everywhere. Merchants use the Company's software to run their business across all of their sales channels, including web and mobile storefronts, physical retail locations, social media storefronts, and marketplaces. The Shopify platform provides merchants with a single view of their business and customers across all of their sales channels and enables them to manage products and inventory, process orders and payments, fulfill and ship orders, build customer relationships, source products, leverage analytics and reporting, and access financing, all from one integrated back office.

Founded in Ottawa, Canada, the Company's principal place of business is the internet.

2. Basis of Presentation and Consolidation

These unaudited condensed consolidated financial statements include the accounts of the Company and its directly and indirectly held wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

These unaudited condensed consolidated financial statements of the Company have been presented in United States dollars (USD) and have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), including the applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding financial reporting. Certain information and note disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations.

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position, results of operations and comprehensive income, changes in shareholders’ equity and cash flows for the interim periods. The financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2020. The condensed consolidated balance sheet at December 31, 2020 was derived from the audited annual financial statements, but does not contain all of the footnote disclosures from the annual financial statements.

The interim results for the three and nine months ended September 30, 2021 are not necessarily indicative of the results expected for the full fiscal year.

3. Significant Accounting Policies

Except for the adoption of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2020-06 and the addition of the fair value option accounting policy, which are discussed below, there have been no material changes to the Company’s significant accounting policies during the three and nine months ended September 30, 2021, as compared to the significant accounting policies described in the Company’s annual consolidated financial statements for the year ended December 31, 2020.

As a result of the fair value of some of the Company's equity investments becoming readily determinable in the period, our accounting policy has been expanded in note 5 to describe these events.

Debt - Accounting for Convertible Instruments

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which eliminates certain models associated with accounting for convertible instruments, makes targeted improvements to the disclosures for convertible instruments and earnings per share guidance, and amends the guidance for the derivative scope exception for contracts in an entity's own equity. The updates are effective for annual periods beginning after December 15, 2021 including interim periods within those periods. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those periods. The Company early adopted this ASU effective January 1, 2021 using the modified retrospective approach. The adoption eliminated the requirement to separately account for the liability and equity components of its 0.125% convertible senior notes due 2025 (the "Notes"), which existed under previous accounting guidance. This resulted in a reclassification of $158,810 from additional paid-in capital to long-term liabilities. Furthermore, as a result of the adoption, non-cash interest expense related to the Company's currently outstanding Notes has been eliminated. As the Company previously recognized non-cash interest expense relating to the debt discount on the liability component, this resulted in a $8,198 cumulative adjustment to increase opening retained earnings.

The Company accounts for the Notes at amortized cost as a single unit of account on the balance sheet. The carrying value of the liability is represented by the face amount of the Notes, less debt offering costs, plus any amortization of offering costs. Offering costs are being amortized to interest expense over the term of the Notes using the effective interest rate method.

Use of Estimates

The preparation of consolidated financial statements, in accordance with U.S. GAAP, requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates, judgments and assumptions in these condensed consolidated financial statements include: key judgments related to revenue recognition in determining whether the Company is the principal or an agent to the arrangements with merchants; estimates of expected credit losses related to financial assets measured at amortized cost, including contract balances and merchant cash advances and loans; inputs used to fair value acquired intangible assets, equity and other investments in private companies and debt securities; estimates involved in evaluating the recoverability of right-of-use assets and leasehold improvements, including, but not limited to, the estimated useful lives of right-of-use assets and leasehold improvements; and the incremental borrowing rate applied to lease payments. Actual results may differ from the estimates made by management.

Revenue Recognition - Non-Cash Consideration

In connection with certain revenue contracts with customers, the Company, from time to time, receives non-cash consideration in the form of equity investments as a component of the transaction price. As disclosed in the revenue recognition policy described in the Company’s annual consolidated financial statements for the year ended December 31, 2020, when the transaction price includes non-cash consideration, the non-cash consideration is measured as the fair value at the inception of the contract, and any changes in fair value after contract inception is excluded from revenue, and classified within "other income, net" in the consolidated statement of operations and comprehensive income.

The Company entered into contracts with Affirm Holdings, Inc. (Affirm) in July 2020, Global-E Online Ltd. (Global-E) in April 2021 and a private company in August 2021. The estimated fair value of these contracts were determined using multiple valuation techniques, including the income approach and the market approach. In the case of these strategic partnerships, the Company is required to provide services over the period of the performance obligations, and revenue is deferred and recognized over time on a ratable basis over the expected terms of the contracts, which are typically three to seven years in length.

Fair Value Option

The guidance in ASC 815, Derivatives and Hedging, provides a fair value option election that allows entities to make an irrevocable election to not separate embedded derivatives from their host contract and to fair value the hybrid instrument upon initial recognition and subsequent measurement dates for certain eligible financial assets and liabilities. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings. The decision to elect the fair value option is determined on an instrument by instrument basis and must be applied to an entire instrument and is irrevocable once elected. The Company has elected to apply the fair value option on its investment in convertible notes in a private company. The fair value election was made in order to maintain consistency in presentation across equity and other investments.

Concentration of Credit Risk

The Company’s cash and cash equivalents, marketable securities, trade and other receivables, merchant cash advances, loans and related receivables, debt securities and foreign exchange derivative products subject the Company to concentrations of credit risk. Management mitigates this risk associated with cash and cash equivalents by making deposits and entering into foreign exchange derivative products only with large banks and financial institutions that are considered to be highly creditworthy. Management mitigates the risks associated with marketable securities by adhering to its investment policy, which stipulates minimum rating requirements, maximum investment exposures and maximum maturities. Due to the Company’s diversified merchant base, there is no material concentration of credit risk related to the Company’s trade and other receivables and merchant cash advances and loans receivable. Trade and other receivables and merchant cash advances and loans receivable are monitored on an ongoing basis to ensure timely collection of amounts. The Company has mitigated some of the risks associated with Shopify Capital by entering into an agreement with a third party that insures a portion of the merchant cash advances and loans offered by Shopify Capital. The receivable related to insurance recoveries is included in the merchant cash advances, loans and related receivables balance. The Company mitigates the risks associated with debt securities through its diligence process performed prior to investing. There are no receivables from individual merchants accounting for 10% or more of revenues or receivables. Potential ongoing effects from the novel coronavirus "COVID-19" pandemic on the Company's credit risk have been considered in the Company's allowances for expected credit losses on contract balances and merchant cash advances and loans. The Company continues its assessment given the fluidity of COVID-19's global impact.

Interest Rate Risk

Certain of the Company’s cash, cash equivalents, marketable securities and loans, and debt securities earn interest. The Company’s trade and other receivables, accounts payable and accrued liabilities and lease liabilities do not bear interest. The Company's Notes have a fixed annual interest rate and thus, the Company does not have economic interest rate exposure on the Notes. The Company is not exposed to material interest rate risk.

Foreign Exchange Risk

The Company’s exposure to foreign exchange risk is primarily related to fluctuations between the Canadian dollar (CAD) and the USD. The Company is exposed to foreign exchange fluctuations on the revaluation of foreign currency assets and liabilities. The Company uses foreign exchange derivative products to manage the impact of foreign exchange fluctuations. By their nature, derivative financial instruments involve risk, including the credit risk of non-performance by counterparties.

Expressed in US $000's except share and per share amounts

While the majority of the Company's revenues and cost of revenues are denominated in USD, a significant portion of operating expenses are incurred in CAD. As a result, earnings are adversely affected by an increase in the value of the CAD relative to the USD.

The following table summarizes the effects on revenues, cost of revenues, operating expenses, and income (loss) from operations of a 10% strengthening(1) of the CAD versus the USD without considering the impact of the Company's hedging activities and without factoring in any potential changes in demand for the Company's solutions as a result of changes in the CAD to USD exchange rates.

	Three months ended					
	September 30, 2021			September 30, 2020		
	GAAP Amounts As Reported $	Exchange Rate Effect (2) $	At 10% Stronger CAD Rate (3) $	GAAP Amounts As Reported $	Exchange Rate Effect (2) $	At 10% Stronger CAD Rate (3) $
Revenues	1,123,740	2,594	1,126,334	767,405	2,166	769,571
Cost of revenues	(514,831)	(2,915)	(517,746)	(362,257)	(1,919)	(364,176)
Operating expenses	(613,010)	(18,334)	(631,344)	(354,587)	(11,872)	(366,459)
Income (loss) from operations	(4,101)	(18,655)	(22,756)	50,561	(11,625)	38,936

	Nine months ended					
	September 30, 2021			September 30, 2020		
	GAAP Amounts As Reported $	Exchange Rate Effect (2) $	At 10% Stronger CAD Rate (3) $	GAAP Amounts As Reported $	Exchange Rate Effect (2) $	At 10% Stronger CAD Rate (3) $
Revenues	3,231,832	6,970	3,238,802	1,951,747	5,466	1,957,213
Cost of revenues	(1,443,347)	(8,698)	(1,452,045)	(914,615)	(5,261)	(919,876)
Operating expenses	(1,534,246)	(48,915)	(1,583,161)	(1,059,520)	(33,816)	(1,093,336)
Income (loss) from operations	254,239	(50,643)	203,596	(22,388)	(33,611)	(55,999)

(1) A 10% weakening of the CAD versus the USD would have an equal and opposite impact on our revenues, cost of revenues, operating expenses and income (loss) from operations as presented in the table.
(2) Represents the increase or decrease in GAAP amounts reported resulting from a 10% strengthening in the CAD-USD foreign exchange rates.
(3) Represents the outcome that would have resulted had the CAD-USD rates in those periods been 10% stronger than they actually were, excluding the impact of our hedging program and without factoring in any potential changes in demand for the Company's solutions as a result of changes in the CAD-USD rates.

Expressed in US $000's except share and per share amounts

4. Financial Instruments

As at September 30, 2021, the carrying amount and fair value of the Company's financial instruments were as follows:

		Level 1 $		Level 2 $		Level 3 $	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets:							
Cash equivalents:							
Corporate bonds and commercial paper		201,467	201,467	—	—	—	—
Marketable securities:							
U.S. term deposits		1,070,000	1,072,079	—	—	—	—
U.S. federal bonds and agency securities		557,190	559,813	—	—	—	—
Canadian federal bonds and agency securities		1,032,471	1,034,154	—	—	—	—
Corporate bonds and commercial paper		—	—	2,669,420	2,673,108	—	—
Derivative assets:							
Foreign exchange forward contracts		—	—	3,887	3,887	—	—
Equity and other investments:							
Equity and other investments with readily determinable fair values	*5*	3,151,851	3,151,851	—	—	559,384	559,384
Available-for-sale debt security under fair value option	*5*	—	—	—	—	205,675	205,675
Liabilities:							
Derivative liabilities:							
Foreign exchange forward contracts		—	—	5,291	5,291	—	—

The fair values of marketable securities above include accrued interest of $10,237, which is excluded from the carrying amounts. The accrued interest is included in trade and other receivables in the condensed consolidated balance sheets. Additional accrued interest of $2,000 recognized on the debt security is included in the fair value and carrying amount above.

Expressed in US $000's except share and per share amounts

As at December 31, 2020, the carrying amount and fair value of the Company's financial instruments were as follows:

	Level 1 $		**Level 2 $**		**Level 3 $**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets:						
Cash equivalents:						
U.S federal bonds	174,397	174,399	—	—	—	—
Corporate bonds and commercial paper	134,056	134,396	—	—	—	—
Repurchase agreements	—	—	290,000	290,001	—	—
Marketable securities:						
U.S. term deposits	885,000	887,102	—	—	—	—
U.S. federal bonds	1,224,052	1,226,657	—	—	—	—
Canadian federal bonds	24,988	24,987	—	—	—	—
Corporate bonds and commercial paper	—	—	1,550,330	1,552,907	—	—
Derivative assets:						
Foreign exchange forward contracts	—	—	16,340	16,340	—	—

The fair values above include accrued interest of $7,563, which is excluded from the carrying amounts. The accrued interest is included in trade and other receivables in the condensed consolidated balance sheets.

All cash equivalents and marketable securities mature within one year of the condensed consolidated balance sheet date.

As at September 30, 2021, the Company held foreign exchange forward contracts for USD, Great Britain Pounds (GBP) and CAD with a total notional value of $536,784 (December 31, 2020 - $340,843), to fund a portion of its operations. The foreign exchange forward contracts have maturities of twelve months or less. The fair value of foreign exchange forward contracts and corporate bonds was based upon Level 2 inputs, which included period-end mid-market quotations for each underlying contract as calculated by the financial institution with which the Company has transacted. The quotations are based on bid/ask quotations and represent the discounted future settlement amounts based on current market rates.

Derivative Instruments and Hedging

The Company has a hedging program to mitigate the impact of foreign currency fluctuations on future cash flows and earnings. Under this program, the Company has entered into foreign exchange forward contracts with certain financial institutions and designated those hedges as cash flow hedges. As of September 30, 2021, $1,684 of unrealized gains and $5,291 of unrealized losses related to changes in the fair value of foreign exchange forward contracts designated as cash flow hedges were included in accumulated other comprehensive income (loss) and current assets and current liabilities on the condensed consolidated balance sheet. These amounts are expected to be reclassified into earnings over the next twelve months. In the three and nine months ended September 30, 2021, $4,140 and $22,619 of realized gains (September 30, 2020 - $432 and $5,738 of realized losses) related to the maturity of foreign exchange forward contracts designated as cash flow hedges were included in cost of revenues and operating expenses. Under the current hedging program, the Company is hedging cash flows associated with payroll and facility costs.

Expressed in US $000's except share and per share amounts

Convertible Senior Notes

As at September 30, 2021, the estimated fair value of the Company's Notes, as further described in note 10 below, was approximately $1,127,175. The estimated fair value was determined based on the last executed trade for the Notes of the reporting period in an over-the-counter market, which is considered as Level 2 in the fair value hierarchy.

5. Equity and Other Investments

Strategic investments are a part of the Company's strategy and use of capital, expanding our expertise and building strong partnerships around strategic initiatives. The Company holds equity and other investments in public companies with readily determinable fair values, as well as in private companies without readily determinable fair values. Equity and other investments in publicly traded companies with readily determinable fair values are carried at fair value at each balance sheet date and any movements in the fair value are recognized into net income. Equity and other investments in private companies without readily determinable fair values are carried at cost less impairments, with subsequent adjustments for observable changes (referred to as the measurement alternative). The Company also holds an investment in convertible notes of a private company which is classified as an available-for-sale debt security, for which the Company has elected to account for under the fair value option. The investment is carried at fair value at each balance sheet date and any movements in the fair value are recognized in net income.

Equity and other investments were accounted for as follows:

	September 30, 2021	December 31, 2020
	$	$
With readily determinable fair values	3,711,235	—
Without readily determinable fair values	528,222	173,454
Debt securities under the fair value option	205,675	—
Total equity and other investments	4,445,132	173,454

Equity and Other Investments with Readily Determinable Fair Values

In July 2020, the Company received an investment in Affirm, as non-cash revenue consideration, as a result of services rendered in conjunction with its strategic partnership for Shop Pay Installments. This equity investment was initially accounted for using the measurement alternative with fair value based on an income approach for which the Company developed certain key assumptions, including revenue growth rates and a discount rate. The initial fair value of the investment of $24,710 is being recognized into merchant solutions revenue over the expected term of the contract.

On January 13, 2021, Affirm completed its initial public offering and began trading on the Nasdaq. As a result, the fair value of the investment became readily determinable and the use of the measurement alternative was no longer applicable. As at September 30, 2021, the carrying value of the Company's investment in Affirm was $2,418,052 measured using Affirm's closing share price on the last day of trading of the reporting period and is therefore a Level 1 investment in the fair value hierarchy. For the three and nine months ended September 30, 2021, unrealized gains of $1,051,009 and $2,259,900, respectively, were recorded within "other income, net" in the statement of operations and comprehensive income.

Expressed in US $000's except share and per share amounts

In April 2021, the Company received an investment in Global-E, as non-cash revenue consideration, as a result of services rendered in conjunction with a strategic partnership for cross-border commerce offerings. This equity investment was initially accounted for using the measurement alternative with fair value based on a market approach for which the Company developed certain key assumptions, including revenue growth rates, revenue multiples based on market comparables and a discount for lack of marketability. The initial fair value of the investment of $192,300 is being recognized into merchant solutions revenue over the expected term of the contract.

On May 12, 2021, Global-E completed its initial public offering and began trading on the Nasdaq. As a result, the fair value of the investment became readily determinable and the use of the measurement alternative was no longer applicable. The investment includes common shares and warrants for common shares that vest over time. The common shares are measured using Global-E's closing share price on the last day of trading of the reporting period and are therefore a Level 1 in the fair value hierarchy. The warrants that vest over time require the application of a discount for lack of marketability, which is not an observable input and therefore makes this portion of the investment a Level 3 in the fair value hierarchy. The weighted average discount for lack of marketability applied to the unvested warrants was 17% at September 30, 2021. As at September 30, 2021, the carrying value of the Company's investment in Global-E was $1,293,183. For the three and nine months ended September 30, 2021, unrealized gains of $286,158 and $1,100,780 were recorded within "other income, net" in the statement of operations and comprehensive income.

Adjustments related to equity and other investments with readily determinable fair values in the three and nine months ended September 30, 2021 were as follows:

	Three months ended September 30, 2021	Nine months ended September 30, 2021
	$	$
Balance, beginning of the period	2,374,043	—
Adjustments related to equity and other investments with readily determinable fair values:		
Transfers from measurement alternative [1][2]	—	350,530
Purchases of equity and other investments	25	25
Net unrealized gains	1,337,167	3,360,680
Balance, end of the period	3,711,235	3,711,235

[1] Effective January 13, 2021, the Company's investment in Affirm no longer qualified for the use of the measurement alternative as the fair value of the investment became readily determinable.
[2] Effective May 12, 2021, the Company's investment in Global-E no longer qualified for the use of the measurement alternative as the fair value of the investment became readily determinable.

Equity and Other Investments without Readily Determinable Fair Values

For the Company's equity and other investments in private companies without readily determinable fair values, the carrying amount of such investments as at September 30, 2021 was $528,222 (December 31, 2020 - $173,454). For the nine months ended September 30, 2021, net unrealized gains of $5,180 relating to these investments were recorded within "other income, net" in the statement of operations and comprehensive income.

Expressed in US $000's except share and per share amounts

In the nine months ended September 30, 2021, the Company made three separate investments totaling $375,000 in a private company, that is a partner in its ecosystem, without readily determinable fair values, which are currently accounted for using the measurement alternative. Subsequent to the closing of the first investment, the second investment represented an observable transaction and resulted in the recognition of a $26,722 unrealized loss on the first investment. In the three months ended September 30, 2021, the Company made a fourth investment that was an incremental investment in the private company through the purchase of convertible notes. See "Debt Securities under the Fair Value Option" below for additional information on the investment.

In the three months ended September 30, 2021, the Company made equity investments in private companies, who are partners in its ecosystem, totaling $40,667, without readily determinable fair values, which are currently accounted for using the measurement alternative. In addition, the Company received an investment in a private company, as non-cash revenue consideration, as a result of services rendered in conjunction with a strategic partnership. This equity investment is accounted for using the measurement alternative with its initial fair value based on a market approach for which the Company developed certain key assumptions, including revenue growth rates, revenue multiples based on market comparables and a discount for lack of marketability. The initial fair value of the investment of $65,277 is being recognized into merchant solutions revenue over the expected term of the contract.

Adjustments related to equity and other investments without readily determinable fair values for the three and nine months ended September 30, 2021 and 2020 were as follows:

	Three months ended		**Nine months ended**	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
	$	**$**	**$**	**$**
Balance, beginning of the period	422,278	12,500	173,454	2,500
Adjustments related to equity and other investments without readily determinable fair values:				
Investments received as non-cash consideration in exchange for services	65,277	24,710	257,577	24,710
Purchases of equity and other investments	40,667	51	442,541	10,051
Transfers to readily determinable fair values [1] [2]	—	—	(350,530)	—
Gross unrealized gains	—	133,239	31,902	133,239
Gross unrealized losses and impairments	—	—	(26,722)	—
Balance, end of the period	528,222	170,500	528,222	170,500

[1] Effective January 13, 2021, the Company's investment in Affirm no longer qualified for the use of the measurement alternative as the fair value of the investment became readily determinable.
[2] Effective May 12, 2021, the Company's investment in Global-E no longer qualified for the use of the measurement alternative as the fair value of the investment became readily determinable.

Cumulative gross unrealized gains and cumulative gross unrealized losses and impairment related to equity and other investments without readily determinable fair values held at September 30, 2021 were $33,855 and $26,722, respectively.

Expressed in US $000's except share and per share amounts

Debt Securities under the Fair Value Option

In July 2021, the Company made an incremental investment in a private company through the purchase of convertible notes for $200,000. The Company has elected to apply the fair value option to account for this instrument. The fair value was determined based on a binomial pricing model for which the Company was required to develop its own assumptions, including the underlying entity's valuation. As the inputs used in determining the fair value are unobservable, this investment is classified as a Level 3 investment in the fair value hierarchy. In the three months ended September 30, 2021, interest income of $2,000 was recorded within "other income, net" in the statement of operations and comprehensive income. The fair value of the investment as at September 30, 2021 was $205,675, resulting in an unrealized gain of $3,675 recorded within "other income, net" in the statement of operations and comprehensive income.

6. Contract Balances

When revenue is recognized, the Company records a receivable that is included in trade and other receivables on the condensed consolidated balance sheet. Trade receivables and unbilled revenues, net of allowance for credit losses, were as follows:

	September 30, 2021	December 31, 2020	January 1, 2020
	$	$	$
Unbilled revenues, net	73,777	50,073	31,629
Indirect taxes receivable	36,765	45,961	36,821
Trade receivables, net	25,113	13,449	9,660
Accrued interest	10,237	7,563	5,754
Other receivables	5,881	3,706	6,665
	151,773	120,752	90,529

The allowance for credit losses reflects our best estimate of probable losses inherent in our unbilled revenues and trade receivables accounts. The Company determined the provision based on known troubled accounts, historical experience, supportable forecasts of collectibility and other currently available evidence.

Activity in the allowance for credit losses was as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Allowance, beginning of the period	6,425	5,615	6,041	2,894
Provision for credit losses related to uncollectible receivables	1,521	3,587	6,654	7,736
Write-offs	(2,361)	(1,139)	(7,110)	(2,567)
Allowance, end of the period	5,585	8,063	5,585	8,063

Expressed in US $000's except share and per share amounts

Changes in deferred revenue were as follows:

	Three months ended		Nine months ended	
	September 30, 2021	**September 30, 2020**	**September 30, 2021**	**September 30, 2020**
	$	**$**	**$**	**$**
Balance, beginning of the period	318,481	74,321	128,815	62,660
Deferral of revenue	129,383	79,245	337,730	102,247
Recognition of deferred revenue	(69,528)	(33,709)	(88,209)	(45,050)
Balance, end of the period	378,336	119,857	378,336	119,857
Current portion			203,853	96,777
Long term portion			174,483	23,080
			378,336	119,857

The opening balances of current and long-term deferred revenue were $56,691 and $5,969, respectively, as of January 1, 2020.

As at September 30, 2021, the current and long-term deferred revenue from non-cash consideration received for services rendered in conjunction with strategic partnerships was $81,505 and $159,543, respectively (September 30, 2020 - $8,237 and $14,735). See note 5.

7. Merchant Cash Advances, Loans and Related Receivables

	September 30, 2021	**December 31, 2020**	**January 1, 2020**
	$	**$**	**$**
Merchant cash advances receivable, gross	485,073	218,840	131,227
Related receivables	—	819	3,179
Allowance for credit losses related to uncollectible merchant cash advances receivable	(33,618)	(15,816)	(10,420)
Loans receivable, gross	75,420	43,644	28,547
Allowance for credit losses related to uncollectible loans receivable	(2,855)	(2,764)	(2,361)
Merchant cash advances, loans and related receivables, net	524,020	244,723	150,172

Expressed in US $000's except share and per share amounts

The following table summarizes the activities of the Company’s allowance for credit losses related to uncollectible merchant cash advances and loans receivable:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Allowance, beginning of the period	29,917	18,133	18,580	12,781
Provision for credit losses related to uncollectible merchant cash advances receivable	10,283	1,923	25,708	11,579
Merchant cash advances receivable charged off, net of recoveries	(3,235)	(2,178)	(7,906)	(6,677)
Provision for credit losses related to uncollectible loans receivable	213	238	1,421	1,309
Loans receivable charged off, net of recoveries	(705)	(269)	(1,330)	(1,145)
Allowance, end of the period	36,473	17,847	36,473	17,847
Related receivables	—	(1,425)	—	(1,425)
Allowance, net of related receivables	36,473	16,422	36,473	16,422

8. Leases

The Company has office and commercial space leases in Canada, the United States, Singapore, Ireland and other countries in Europe and Asia. These leases have remaining lease terms of 1 year to 15 years, some of which include options to extend the leases for up to 10 years. Additional office space leases are set to commence between 2021 and 2026, at which point the Company's right-of-use assets and lease liabilities will increase. The Company has entered into various lease agreements for office space that are set to commence after September 30, 2021, which will create significant right-of-use assets and lease liabilities. All of the Company's leases are operating leases.

The components of lease expense were as follows:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Operating lease expense	5,320	5,277	16,041	16,003
Variable lease expense, including non-lease components	3,038	3,163	9,210	10,712
Total lease expense	8,358	8,440	25,251	26,715

As at September 30, 2021, the weighted average remaining lease term is 9 years and the weighted average discount rate is 3.8% (December 31, 2020 - 9 years and 4.4%, respectively).

During the year ended December 31, 2020, in light of the COVID-19 pandemic, the Company decided to move from a primarily physical office-centric work model to a primarily digital work-from-home-centric work model. The Company plans to keep, but repurpose certain office locations to support the new model and terminate or sublet other office locations that it ceases to use.

With respect to certain office locations expected to be kept, but repurposed, the Company has recognized accelerated depreciation of certain leasehold improvements and furniture in order to reflect changes that it plans to make to accommodate greater physical distancing and increased team onsite meeting spaces. During the year ended December 31, 2020, the Company identified $40,457 of leasehold improvements and furniture that will be accelerated over a 2 to 3 year period as the Company retrofits its existing offices.

Expressed in US $000's except share and per share amounts

With respect to certain office space the Company has ceased using, for which the lease has been or will be either terminated or sublet, these decisions resulted in impairment charges of $14,785 related to its right-of-use assets and $16,838 related to its leasehold improvements in the year ended December 31, 2020.

During the three months ended September 30, 2021, the Company identified additional leased office space for which it has ceased use. The Company recorded impairment charges of $28,436 related to its right-of-use assets and $1,709 related to its leasehold improvements in these spaces. These impairment charges were determined by comparing the asset groups' fair values made up of the right-of-use assets and leasehold improvements, to their carrying values as of the impairment measurement date, as required under ASC 360, Property, Plant and Equipment. Fair value was determined based on the present value of the estimated future cash flows. These estimates may vary from the actual amounts due to termination or sublease agreements ultimately executed, if at all, which may result in an adjustment to the charges. These charges were recorded as general and administrative expenses in the condensed consolidated statements of operations and comprehensive income.

In the second quarter of 2021, the Company commenced subleases for certain office locations. Net sublease income for the three and nine months ended September 30, 2021 was $526 and $852, respectively, which is recorded as an offset within the total lease expense disclosed above.

Maturities of lease liabilities as at September 30, 2021 were as follows:

Fiscal Year	**Operating Leases** **$**
Remainder of 2021	10,449
2022	39,180
2023	47,155
2024	57,972
2025	57,594
Thereafter	417,136
Total future minimum payments	629,486
Minimum payments related to leases that have not yet commenced	(146,043)
Minimum payments related to variable lease payments, including non-lease components	(258,047)
Imputed interest	(35,588)
Total lease liabilities	189,808

9. Goodwill

The Company's goodwill relates to acquisitions of various companies including, but not limited to, 6 River Systems, Inc. (6RS) which was acquired on October 17, 2019 and Donde Fashion Inc. (Donde) which was acquired on July 20, 2021.

The Company completed its annual impairment test of goodwill as of September 30, 2021. The Company exercised its option to bypass the qualitative assessment pursuant to ASC 350, Intangibles - Goodwill and Other, and perform a quantitative analysis. The Company determined that the consolidated business is represented by a single reporting unit and concluded that the estimated fair value of the reporting unit, determined using market capitalization, was greater than its carrying amount.

No goodwill impairment was recognized in the three and nine months ended September 30, 2021 or in the year ended December 31, 2020.

Expressed in US $000's except share and per share amounts

The gross changes in the carrying amount of goodwill as of September 30, 2021 and December 31, 2020 are as follows:

	September 30, 2021	**December 31, 2020**
	$	**$**
Balance, beginning of the period	311,865	311,865
Acquisition of Donde Fashion Inc.	37,567	—
Balance, end of the period	349,432	311,865

10. Convertible Senior Notes

In September 2020, the Company issued $920,000 aggregate principal amount of 0.125% convertible senior notes due 2025. The net proceeds from the issuance of the Notes were $907,950 after deducting underwriting fees and offering costs.

The interest on the Notes is payable semi-annually in arrears on May 1 and November 1 of each year, beginning on May 1, 2021. The Notes will mature on November 1, 2025, unless earlier redeemed or repurchased by the Company or converted pursuant to their terms.

The Notes will have an initial conversion rate of 0.6944 Class A subordinate voting shares per one thousand dollars of principal amount of Notes, which is equivalent to an initial conversion price of approximately $1,440.09 per share. The conversion rate is subject to adjustment following the occurrence of certain specified events, as set out or defined in the Trust indenture agreement for the Notes. In addition, upon the occurrence of a make-whole fundamental change prior to the maturity date or upon our issuance of a notice of redemption, as set out or defined in the Trust indenture agreement for the Notes, the Company will, in certain circumstances, increase the conversion rate by a number of additional Class A subordinate voting shares for a holder that elects to convert its Notes in connection with such make-whole fundamental change or during the relevant redemption period.

Prior to the close of business on the business day immediately preceding August 1, 2025, the Notes may be convertible at the option of the holders only under the following circumstances:

(1) during any calendar quarter commencing after March 31, 2021, and only during such calendar quarter, if the last reported sale price of the Class A subordinate voting shares on the New York Stock Exchange (the "NYSE") for at least 20 trading days (whether or not consecutive) in a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is more than or equal to 130% of the conversion price for the Notes on each applicable trading day;

(2) during the ten business day period after any ten consecutive trading day period in which, for each trading day of that period, the trading price per one thousand dollars principal amount of Notes for each trading day was less than 98% of the product of the last reported sale price of the Class A subordinate voting shares on the NYSE and the conversion rate for the Notes on each such trading day;

(3) if the Company calls any or all of the Notes for optional redemption, clean-up redemption or tax redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date; or

(4) upon the occurrence of certain specified corporate events.

On or after August 1, 2025, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders of the Notes may, at their option, convert all or any portion of their Notes regardless of the foregoing conditions.

Upon conversion, the Company can elect to settle in cash, Class A subordinate voting shares, or a combination of cash and Class A subordinate voting shares.

On or after September 15, 2023, the Company may, at its option, redeem for cash all or any portion of the Notes if the last reported sale price of the Company's Class A subordinate voting shares on the NYSE has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No "sinking fund" is provided for the Notes.

The Company may redeem for cash all, but not less than all, of the Notes at any time if less than $80,000 aggregate principal amount of Notes remains outstanding at such time, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

The Company may redeem all, but not less than all, of the Notes if the Company has or would become obligated to pay to the holder of any Note additional amounts (which are more than a *de minimis* amount) as a result of a change in applicable Canadian tax laws or regulations after September 15, 2020 at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest (including additional interest, if any) to, but excluding, the applicable redemption date but without reduction for applicable Canadian taxes (except in respect of certain excluded holders).

Upon the occurrence of a fundamental change (as set out or defined in the Trust indenture agreement for the Notes) prior to the maturity date of the Notes, the Company, subject to limited exceptions, will be required to offer to purchase all of the Notes for cash at a price equal to 100% of the principal amount thereof, plus any accrued and unpaid interest thereon to, but excluding, the fundamental change purchase date.

The Notes are governed by customary terms and covenants, including that upon certain events of default occurring and continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare 100% of the principal of, and accrued and unpaid interest on, all the Notes to be due and payable immediately.

The Notes are senior unsecured obligations and will rank senior in right of payment to any of the Company’s indebtedness that is expressly subordinated in right of payment to the Notes; equal in right of payment with the Company’s existing and future unsecured liabilities that are not so subordinated; effectively subordinated to any of the Company’s secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of current or future subsidiaries of the Company.

The Company accounts for the Notes as a single unit of account on the balance sheet. The carrying value of the liability is represented by the face amount of the Notes, less total offering costs, plus any amortization of offering costs. Total offering costs upon issuance of the Notes were $12,050 and are amortized to interest expense using the effective interest rate method over the contractual term of the Notes. Interest expense is recognized at an annual effective interest rate of 0.38% over the contractual term of the Notes.

Expressed in US $000's except share and per share amounts

The net carrying amount of the outstanding Notes was as follows:

	September 30, 2021	December 31, 2020
	$	$
Principal	920,000	920,000
Unamortized offering costs [(1)]	(9,624)	(9,434)
Unamortized discounts [(1)]	—	(152,558)
Net carrying amount	910,376	758,008

[(1)] Prior to the adoption of ASU 2020-06 on January 1, 2021, the Company accounted for its Notes as separate liability and equity components. The comparative figures represent the offering costs and debt discount related to the liability component prior to adoption.

The following table sets forth the interest expense recognized related to the outstanding Notes:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Contractual interest expense	287	38	859	38
Amortization of offering costs[(1)]	585	70	1,756	70
Amortization of debt discount[(1)]	—	1,130	—	1,130
Total interest expense related to the outstanding Notes	872	1,238	2,615	1,238

[(1)] Prior to the adoption of ASU 2020-06 on January 1, 2021, the Company accounted for its Notes as separate liability and equity components. The comparative figures represent the amortization of offering costs and debt discount related to the liability component prior to adoption.

11. Credit Facility

The Company has a revolving credit facility with Royal Bank of Canada for $8,000 CAD. The credit facility bears interest at the Royal Bank Prime Rate plus 0.30%. As at September 30, 2021 the effective rate was 2.75%, and no cash amounts have been drawn under this credit facility.

12. Commitments and Contingencies

Unconditional Purchase Obligations

The Company has entered into agreements where it commits to certain usage levels related to third party services. The amount of the minimum fixed and determinable portion of the unconditional purchase obligations over the next five years, as at September 30, 2021, was $221,073.

Litigation and Loss Contingencies

The Company records accruals for loss contingencies when losses are probable and reasonably estimable. From time to time, the Company may become a party to litigation and subject to claims incidental to the ordinary course of business, including intellectual property claims, labour and employment claims and threatened claims, breach of contract claims, tax and other matters. The Company currently has no material pending litigation or claims. The Company is not aware of any litigation matters or loss contingencies that would be expected to have a material adverse effect on the business, consolidated financial position, results of operations, or cash flows.

13. Shareholders' Equity

Public Offerings

In February 2021, the Company completed a public offering in which it issued and sold 1,180,000 Class A subordinate voting shares at a public offering price of $1,315.00 per share. The Company received total net proceeds of $1,541,168 after deducting offering fees and expenses of $10,532.

In September 2020, the Company completed a public offering in which it issued and sold 1,265,000 Class A subordinate voting shares at a public offering price of $900.00 per share, including the 165,000 Class A subordinate voting shares purchased by the underwriters pursuant to the exercise of the over-allotment option. The Company received total net proceeds of $1,117,646 after deducting offering fees and expenses of $20,854.

In May 2020, the Company completed a public offering in which it issued and sold 2,127,500 Class A subordinate voting shares at a public offering price of $700.00 per share, including the 277,500 Class A subordinate voting shares purchased by the underwriters pursuant to the exercise of the over-allotment option. The Company received total net proceeds of $1,460,945 after deducting offering fees and expenses of $28,305.

Common Stock Authorized

The Company is authorized to issue an unlimited number of Class A subordinate voting shares and an unlimited number of Class B multiple voting shares. The Class A subordinate voting shares have one vote per share and the Class B multiple voting shares have 10 votes per share. The Class B multiple voting shares are convertible into Class A subordinate voting shares on a one-for-one basis at the option of the holder. Class B multiple voting shares will also automatically convert into Class A subordinate voting shares in certain other circumstances.

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares issuable in series. Each series of preferred shares shall consist of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the Company's Board of Directors prior to the issuance thereof. Holders of preferred shares, except as otherwise provided in the terms specific to a series of preferred shares or as required by law, will not be entitled to vote at meetings of holders of shares.

Stock-Based Compensation

As at September 30, 2021 there were 25,011,050 shares reserved for issuance under the Company's Stock Option Plan and Long Term Incentive Plan.

Expressed in US $000's except share and per share amounts

The following table summarizes the stock option and Restricted Share Unit ("RSU") award activities under the Company's share-based compensation plans for the nine months ended September 30, 2021:

	Shares Subject to Options Outstanding					Outstanding RSUs	
	Number of Options [1]	Weighted Average Exercise Price $	Remaining Contractual Term (in years)	Aggregate Intrinsic Value [2] $	Weighted Average Grant Date Fair Value $	Outstanding RSUs	Weighted Average Grant Date Fair Value $
December 31, 2020	**2,489,277**	**103.76**	**5.45**	**2,559,442**	**—**	**1,112,967**	**377.08**
Stock options granted	148,450	1,298.09	—	—	544.85	—	—
Stock options exercised	(1,292,872)	56.03	—	—	—	—	—
Stock options forfeited	(49,270)	823.21	—	—	—	—	—
RSUs granted	—	—	—	—	—	376,513	1,335.87
RSUs settled	—	—	—	—	—	(573,413)	276.25
RSUs forfeited	—	—	—	—	—	(103,584)	580.99
September 30, 2021	**1,295,585**	**260.88**	**5.63**	**1,418,533**	**—**	**812,483**	**866.56**
Stock options exercisable as of September 30, 2021	950,757	100.16	4.73	1,193,787			

(1) As at September 30, 2021 285,902 of the outstanding stock options were granted under the Company's Legacy Option Plan and are exercisable for Class B multiple voting shares, 973,363 of the outstanding stock options were granted under the Company's Stock Option Plan and are exercisable for Class A subordinate voting shares, and 36,320 of the outstanding stock options were granted under the 6 River Systems 2016 Amended and Restated Stock Option and Grant Plan and are exercisable for Class A subordinate voting shares.

(2) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock option awards and the closing market price of the Company's Class A subordinate voting shares as of September 30, 2021 and December 31, 2020.

As at September 30, 2021 the Company had issued 909 Deferred Share Units under its Long Term Incentive Plan.

In connection with the acquisition of 6RS, 122,080 Class A subordinate voting shares were issued with trading restrictions. The restrictions on these shares are lifted over time and are being accounted for as stock-based compensation as the vesting is contingent on continued employment and therefore related to post-combination services. As at September 30, 2021, 91,560 of the Class A subordinate voting shares remained restricted.

The following table illustrates the classification of stock-based compensation expense in the condensed consolidated statements of operations and comprehensive income, which includes both stock-based compensation and restricted share-based compensation expense.

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	$	$	$	$
Cost of revenues	1,699	2,667	4,851	5,003
Sales and marketing	10,329	10,094	28,853	31,914
Research and development	54,194	39,407	147,230	111,372
General and administrative	15,118	11,639	51,520	31,594
	81,340	63,807	232,454	179,883

Expressed in US $000's except share and per share amounts

14. Changes in Accumulated Other Comprehensive Income (Loss)

The following table summarizes the changes in accumulated other comprehensive income (loss), which is reported as a component of shareholders' equity, for the nine months ended September 30, 2021 and 2020:

	Accumulated Other Comprehensive Income (Loss)	
	Nine months ended	
	September 30, 2021	September 30, 2020
	$	$
Balance, beginning of the period	8,770	1,046
Other comprehensive income (loss) before reclassifications	2,672	(7,528)
(Gain) loss on cash flow hedges reclassified from accumulated other comprehensive income (loss) to earnings were as follows:		
Cost of revenues	(1,071)	288
Sales and marketing	(5,869)	1,515
Research and development	(12,297)	3,097
General and administrative	(3,382)	838
Tax effect on unrealized (gain) loss on cash flow hedges	5,287	—
Other comprehensive loss, net of tax	(14,660)	(1,790)
Balance, end of the period	(5,890)	(744)

15. Income Taxes

The Company's provision for, or recovery of, income taxes is determined by applying the estimated annual effective tax rate to income or loss from recurring operations and adding the effects of any discrete income tax items specific to the period.

The Company updates its estimate of the annual effective tax rate each quarter and makes cumulative adjustments if its estimated annual tax rate changes. The Company's effective tax rate may be subject to fluctuation during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective tax rate, including factors such as the mix of forecasted pre-tax earnings in the various jurisdictions in which the Company operates, valuation allowances against deferred tax assets, the recognition and derecognition of tax benefits related to uncertain tax positions, and changes in or the interpretation of tax laws in jurisdictions where the Company conducts business.

During the nine months ended September 30, 2021, the Company released a portion of the valuation allowance against its deferred income tax assets in Canada due to the overall unrealized gain on the Company's equity and other investments. As a result of the unrealized gain on equity and other investments, ongoing operations, other discrete items, primarily related to tax benefits for share-based compensation, the impairment of right-of-use assets and fixed assets, the Company's ability to carry-back losses to prior years in Canada, and the recognition of deferred tax assets in Canada, the Company has a provision for income taxes of $192,020 and $343,341 in the three and nine months ended September 30, 2021, respectively. The Company had a recovery of income taxes of $4,701 and $65,026 in the three and nine months ended September 30, 2020, respectively, primarily due to tax benefits for share-based compensation, the impairment of right-of-use assets and fixed assets, unrealized gains on equity and other investments, the Company's ability to carry-back losses to prior years in Canada, and the recognition of deferred tax assets in the United States.

Expressed in US $000's except share and per share amounts

16. Net Income per Share

The Company applies the two-class method to calculate its basic and diluted net income per share as both classes of its voting shares are participating securities with equal participation rights and are entitled to receive dividends on a share for share basis.

The following table summarizes the reconciliation of the basic weighted average number of shares outstanding and the diluted weighted average number of shares outstanding:

	Three months ended		Nine months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
Numerator:				
Net income	$ 1,148,432	$ 191,068	$ 3,285,970	$ 195,637
After tax effect of debt interest	641	910	1,922	910
Net income after tax effected debt interest	$ 1,149,073	$ 191,978	$ 3,287,892	$ 196,547
Denominator:				
Basic weighted average number of shares outstanding	125,071,460	120,511,484	124,297,069	118,692,898
Effect of dilutive securities(1)	2,547,728	4,396,795	2,966,677	4,706,708
Diluted weighted average number of shares	127,619,188	124,908,279	127,263,746	123,399,606
Net income per share:				
Basic	$ 9.18	$ 1.59	$ 26.44	$ 1.65
Diluted	$ 9.00	$ 1.54	$ 25.84	$ 1.59

(1) Included in the effect of dilutive securities is the assumed conversion of employee stock options, employee RSUs and the Notes.

17. Business Acquisitions

Donde Fashion Inc.

On July 20, 2021, the Company completed the acquisition of software company Donde Fashion Inc., a Delaware corporation, and its subsidiary Donde Mobile R&D Ltd. ("Donde"). With this acquisition, the Company added engineering talent to expand its research and development capabilities. The Company acquired 100 percent of the outstanding shares of Donde in exchange for cash consideration of $50,687. The transaction was accounted for as a business combination. The operations of Donde have been consolidated into the Company’s results as of the acquisition date.

The following table summarizes the final purchase price allocation of the Donde assets acquired and liabilities assumed at the acquisition date:

	Amount **$**
Cash	887
Accounts payable and other current liabilities	(7,377)
Technology	24,000
Net deferred tax liability on acquired intangibles	(4,390)
Goodwill	37,567
Total purchase price	**50,687**

The acquired technology was valued at $24,000 using a cost approach and is being amortized over 3 years. Goodwill from the Donde acquisition is primarily attributable to the expected synergies that will result from integrating Donde and its assembled workforce. None of the goodwill recognized is deductible for income tax purposes. The deferred tax liability relates to the taxable temporary difference on the acquired intangible assets.

18. Comparative Figures

Certain comparative figures have been reclassified in order to conform to the current period presentation.

EXHIBIT 99.2

MANAGEMENT'S DISCUSSION AND ANALYSIS

October 28, 2021

In this Management's Discussion and Analysis ("MD&A"), "we", "us", "our", "Shopify" and "the Company" refer to Shopify Inc. and its consolidated subsidiaries, unless the context requires otherwise. In this MD&A, we explain Shopify's results of operations for the three and nine months ended September 30, 2021 and 2020, our cash flows for the nine months ended September 30, 2021 and 2020, and our financial position as of September 30, 2021. You should read this MD&A together with our unaudited condensed consolidated financial statements and the accompanying notes for the fiscal quarter ended September 30, 2021, as well as with our audited consolidated financial statements and the accompanying notes for the fiscal year ended December 31, 2020. Additional information regarding Shopify, including our 2020 annual information form and our annual report on Form 40-F for the year ended December 31, 2020, is available on our website at www.shopify.com, or at www.sedar.com and www.sec.gov.

Our unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All amounts are in U.S. dollars ("USD") except where otherwise indicated.

Our MD&A is intended to enable readers to gain an understanding of Shopify's results of operations, cash flows and financial position. To do so, we provide information and analysis comparing our results of operations, cash flows and financial position for the most recently completed quarter with the same quarter from the preceding fiscal year. We also provide analysis and commentary that we believe will help investors assess our future prospects. In addition, we provide "forward-looking statements" that are not historical facts, but that are based on our current estimates, beliefs and assumptions and which are subject to known and unknown important risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from current expectations. Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this MD&A and may not be suitable for other purposes. See "Forward-looking Statements" below.

In this MD&A, references to our "solutions" means the combination of products and services that we offer to merchants, and references to "our merchants" as of a particular date means the total number of unique shops that are paying for a subscription to our platform.

Forward-looking Statements

This MD&A contains forward-looking statements under the provisions of the U.S. Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation.

In some cases, you can identify forward-looking statements by words such as "aim", "may", "will", "could", "expects", "further", "plans", "anticipates", "believes", "potential", "continue", "estimate", or the negative of these terms or other similar words. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking. In particular, forward-looking statements in this MD&A include, but are not limited to, statements about:

- the extent of the impact of the novel coronavirus ("COVID-19") on our business, financial performance, revenues, and results of operations;
- our expectation that the majority of Shopify employees will work remotely permanently ("digital-by-design");

- our plan to repurpose or reconfigure our remaining office space and potentially terminate additional leases or sublet other spaces;
- our exploration of new ways to accelerate checkout;
- our ability to make it easier for merchants to manage their storefronts via their mobile devices;
- the achievement of innovations and enhancements to, and expansion of, our platform and our solutions;
- whether a merchant using Shopify will ever need to re-platform;
- the continued growth of our app developer, theme designer and partner ecosystem and the effect on the growth of our merchant base;
- the continued expansion of the number of channels for merchants to transact through;
- our plan to continue making investments in our business to drive future growth;
- our expectation that we will continue to invest in and optimize Shopify Fulfillment Network to provide our merchants with fast and affordable fulfillment and our expectation that Shopify Fulfillment Network is well positioned to improve supply chain economics and delivery for merchants;
- our expectation that we may experience a decrease in gross merchandise volume ("GMV") as a result of lower consumer spending on goods, which decrease would be partially offset by more traditional businesses expanding or migrating online;
- our expectation that as we develop Shopify Fulfillment Network and 6 River Systems Inc. ("6RS"), they will be dilutive to the gross margin percentage of merchant solutions;
- our expectation that the continued growth of merchant solutions may cause a decline in our overall gross margin percentage;
- our expectation that as a result of the continued growth of our merchant solutions offerings, our seasonality will continue to affect our quarterly results and our business may become more seasonal in the future, and that historical patterns may not be a reliable indicator of our future performance;
- our expectation that our results of operations will be adversely impacted by an increase in the value of the Canadian dollar ("CAD") relative to the USD;
- the change in fair value of certain equity and other investments which may fluctuate period to period, and may cause volatility to our earnings;
- our expectation that the overall trend of merchant solutions revenue making up an increasing component of total revenues over time, most notably in the fourth quarter due to higher holiday volume, will continue over time;
- our future obligation to purchase outstanding 0.125% convertible senior notes due 2025 (the "Notes") on the occurrence of a fundamental change;
- our belief that we have sufficient liquidity to meet our current and planned financial obligations over the next 12 months;
- our future financing requirements and the availability of capital;
- the future value of our investment income, in particular as a result of changes in interest rates, fair value or due to observable changes in price or impairments;
- the fair market value of the Notes as a result of changes in interest rates or the price of our Class A subordinate voting shares;
- expected credit losses related to the impact of COVID-19;
- our expectations regarding contractual obligations and contingencies;
- the impact of inflation on our costs and operations;
- our accounting estimates, allowances, provisions, and assumptions made in the preparation of our financial statements; and
- our expectations regarding the impact of recently adopted accounting standards.

The forward-looking statements contained in this MD&A are based on our management's perception of historic trends, current conditions and expected future developments, as well as other assumptions that management believes are appropriate in the circumstances, which include, but are not limited to:

- our belief that the near-term costs of reducing our leased footprint and transitioning remaining spaces to their future intended purpose will yield longer-term benefits;
- our ability to increase the functionality of our platform;

- our ability to offer more sales channels that can connect to the platform;
- our belief in the increasing importance of a multi-channel platform that is both fully integrated and easy to use;
- our belief that an increasing awareness among buyers that Shopify provides a superior and secure checkout experience is an additional advantage for our merchants;
- our belief that commerce transacted over mobile will continue to grow more rapidly than desktop transactions;
- our ability to expand our merchant base, retain revenue from existing merchants as they grow their businesses, and increase sales to both new and existing merchants, including our ability to retain merchants that have moved from physical retail to ecommerce as a result of the COVID-19 pandemic;
- our ability to manage our growth effectively;
- our ability to protect our intellectual property rights;
- our belief that our merchant solutions make it easier for merchants to start a business and grow on our platform;
- our ability to develop new solutions to extend the functionality of our platform and provide a high level of merchant service and support;
- our ability to hire, retain and motivate qualified personnel and to manage our operations in a digital-by-design model;
- our ability to enhance our ecosystem and partner programs, and the assumption that this will drive growth in our merchant base, further accelerating growth of the ecosystem;
- our belief that our strategic investments and acquisitions will increase our revenue base, improve the retention of this base and strengthen our ability to increase sales to our merchants and help drive our growth;
- our ability to achieve our revenue growth objectives while controlling costs and expenses, and our ability to achieve or maintain profitability;
- our belief that Monthly Recurring Revenue ("MRR") is most closely correlated with the long-term value of our merchant relationships;
- our assumptions regarding the principal competitive factors in our markets;
- our ability to predict future commerce trends and technology;
- our assumptions that higher-margin solutions such as Shopify Capital and Shopify Shipping will continue to grow through increased adoption and international expansion;
- our expectation that Shopify Payments will continue to expand internationally;
- our expectation that Shopify Fulfillment Network will scale and grow as we optimize the network, and we will continue to invest to support this growth;
- our belief that our investments in sales and marketing initiatives will continue to be effective in growing the number of merchants using our platform, in retaining revenue from existing merchants and in increasing revenues from both;
- our ability to develop processes, systems and controls to enable our internal support functions to scale with the growth of our business;
- our ability to retain key personnel;
- our ability to protect against currency, interest rate, concentration of credit and inflation risks;
- our assumptions as to our future expenses and financing requirements;
- our assumptions as to our critical accounting policies and estimates; and
- our assumptions as to the effects of accounting pronouncements to be adopted.

Factors that may cause actual results to differ materially from current expectations may include, but are not limited to, risks and uncertainties that are discussed in greater detail in the "Risk Factors" section of our Annual Information Form for the year ended December 31, 2020 and elsewhere in this MD&A, including but not limited to risks relating to:

- sustaining our rapid growth;
- managing our growth;
- our potential inability to compete successfully against current and future competitors;

- the security of personal information we store relating to merchants and their buyers, as well as consumers with whom we have a direct relationship including users of our apps;
- our history of losses and our potential inability to maintain profitability;
- a denial of service attack or security breach;
- our limited operating history in new and developing markets and new geographic regions;
- our ability to innovate;
- international sales and operations and the use of our platform in various countries;
- our current reliance on a single supplier to provide the technology we offer through Shopify Payments;
- our potential inability to hire, retain and motivate qualified personnel;
- our use of a single cloud-based platform to deliver our services;
- the COVID-19 pandemic and its impact on our business, financial condition and results of operations including the impact of measures taken to contain the virus and the impact on the global economy and consumer spending and on our merchants' and partners' ecosystem;
- the reliance of our growth in part on the success of our strategic relationships with third parties;
- complex and changing laws and regulations worldwide;
- our dependence on the continued services and performance of our senior management and other key employees;
- our potential failure to effectively maintain, promote and enhance our brand;
- payments processed through Shopify Payments;
- serious errors or defects in our software or hardware or issues with our hardware supply chain;
- our potential inability to achieve or maintain data transmission capacity;
- activities of merchants or partners or the content of merchants' shops;
- evolving privacy laws and regulations, cross-border data transfer restrictions, data localization requirements and other domestic or foreign regulations may limit the use and adoption of our services;
- unanticipated changes in tax laws or adverse outcomes resulting from examination of our income or other tax returns;
- being required to collect federal, state, provincial or local business taxes, sales and use taxes or other indirect taxes in additional jurisdictions on transactions by our merchants;
- ineffective operations of our solutions when accessed through mobile devices;
- changes to technologies used in our platform or new versions or upgrades of operating systems and internet browsers;
- acquisitions and investments, including strategic investments;
- our ability to successfully scale, optimize and operate Shopify Fulfillment Network;
- Shopify Capital and offering financing to merchants;
- the impact of worldwide economic conditions, including the resulting effect on spending by small and medium-sized businesses ("SMBs") or their buyers;
- our reliance on computer hardware, purchased or leased, software licensed from and services rendered by third parties, in order to provide our solutions and run our business, sometimes by a single-source supplier;
- potential claims by third parties of intellectual property infringement or other third party or governmental claims, litigation, disputes, or other proceedings;
- our potential inability to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
- our use of open source software;
- seasonal fluctuations;
- exchange rate fluctuations that may negatively affect our results of operations;
- our potential failure to maintain a consistently high level of customer service;
- our dependence upon buyers’ and merchants’ access to, and willingness to use, the internet for commerce;
- provisions of our financial instruments including the Notes;
- our potential inability to raise additional funds as may be needed to pursue our growth strategy or continue our operations, on favorable terms or at all;
- our tax loss carryforwards;
- our pricing decisions for our solutions;

- ownership of our shares;
- our sensitivity to interest rate fluctuations; and
- our concentration of credit risk, and the ability to mitigate that risk using third parties, and the risk of inflation.

Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in our 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. 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. No forward-looking statement is a guarantee of future results. You should read this MD&A and the documents that we reference in this MD&A completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this MD&A represent our views as of the date of this MD&A. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this MD&A.

COVID-19

In light of the ongoing COVID-19 pandemic, we have continued to focus on the health and well-being of our employees, partners, service providers, and communities. We have also accelerated products that we believe will best serve our merchants as they deal with the challenges of COVID-19.

Beginning in March 2020, we observed sustained strong momentum in GMV, buoyed by restrictions related to COVID-19, as consumers looked for ways to purchase at a safe distance, utilizing ecommerce and benefiting from features such as curbside pickup and local delivery. We experienced a decrease in GMV in the third quarter of 2021 relative to the preceding quarter as consumer spend on services and off-line retail expanded, and ecommerce, after easing from its peak share as a percent of total retail, resumed a more normalized pace of growth relative to 2020. This decrease was partially offset by traditional retail businesses expanding or migrating their operations online with our platform and services as well as by an increase in the number of merchants using our retail POS solutions. The effect of COVID-19 on other aspects of our results of operations and financial performance in the long-term, such as revenues, remains uncertain and may only be reflected in future periods.

The effects of COVID-19 have led us to reimagine the way we work resulting in the decision to be a "digital-by-design" company. Shopify employees continue to work remotely in 2021 and beyond 2021 Shopify will embrace this digital-first way of thinking, working, and operating with the intention that the majority of employees will work remotely permanently. We believe the near-term costs of reducing our leased footprint and transitioning remaining spaces to their future intended purpose, including use for team collaboration and events, will yield longer-term benefits, including leveling the playing field for employees who already work from home, helping our employees stay healthy and safe, opening ourselves up to a diverse global talent pool, eliminating unnecessary commutes and fast-tracking new and better ways to work together that are more productive and rewarding. As a result of this decision, in the second quarter of 2020 we terminated certain lease agreements or sought to sublet space at certain office locations. In the third quarter of 2021, we ceased use of additional office space and will terminate lease agreements or seek to sublet space at certain office locations resulting in an impairment charge of $30.1 million in the three months ended September 30, 2021. We continue to assess the ongoing need for the remaining offices and may repurpose them to accommodate physical distancing measures, reconfigure them for use in a digital-by-design framework, or look to sublease or terminate the related leases in the future.

Overview

Shopify is a leading provider of essential internet infrastructure for commerce, offering trusted tools to start, grow, market, and manage a retail business of any size. Shopify makes commerce better for everyone with a platform and services that are engineered for reliability, while delivering a better shopping experience for consumers everywhere.

In an era where social media, cloud computing, mobile devices, and data analytics are creating new possibilities for commerce, Shopify provides differentiated value by offering merchants:

A multi-channel front end. Our software enables merchants to easily display, manage, and sell their products across over a dozen different sales channels, including web and mobile storefronts, physical retail locations, pop-up shops, social media storefronts, native mobile apps, buy buttons, and marketplaces. More than two-thirds of our merchants use two or more channels. The Shopify application program interface ("API") has been developed to support custom storefronts that let merchants sell anywhere, in any language.

A single integrated back end. Our software provides one single integrated, easy-to-use back end that merchants use to manage their business and buyers across these multiple sales channels. Merchants use their Shopify dashboard, which is available in 20 languages, to manage products and inventory, process orders and payments, fulfill and ship orders, discover new buyers and build customer relationships, source products, leverage analytics and reporting, and access financing.

A data advantage. Our software is delivered to merchants as a service, and operates on a shared infrastructure. With each new transaction processed, we grow our data proficiency. This cloud-based infrastructure not only relieves merchants from running and securing their own hardware, it also consolidates data generated by the interactions between buyers and merchants' shops, as well as those of our merchants on the Shopify platform, providing rich data to inform both our own decisions as well as those of our merchants.

Shopify also enables merchants to build their own brand, leverage mobile technology, and handle massive traffic spikes with flexible infrastructure:

Brand ownership. Shopify is designed to help our merchants own their brand, develop a direct relationship with their buyers, and make their buyer experience memorable and distinctive. We recognize that in a world where buyers have more choices than ever before, a merchant's brand is increasingly important. The Shopify platform is designed to allow a merchant to keep their brand present in every interaction to help build buyer loyalty and competitive advantage. While our platform is designed to empower merchants first, merchants benefit when buyers are confident that their payments are secure. We believe that an increasing awareness among buyers that Shopify provides a superior and secure checkout experience is an additional advantage for our merchants in an increasingly competitive market. For merchants using Shopify Payments, buyers are already getting a superior experience, with features such as Shop Pay, and with our investments in additional touchpoints with their buyers, such as retail, shipping, fulfillment, and Shop, our all-in-one mobile shopping assistant app, brands that sell on Shopify can offer buyers an end-to-end, managed shopping experience that previously was only available to much larger businesses.

Mobile. As ecommerce expands as a percentage of overall retail transactions, a trend that accelerated in 2020 as the global COVID-19 pandemic necessitated physically distanced commerce, buyers expect to be able to transact anywhere, anytime, on any device through an experience that is simple, seamless, and secure. As transactions over mobile devices represent the majority of transactions across online stores powered by Shopify, the mobile experience is a merchant's primary and most important interaction with online buyers. Shopify has focused on enabling mobile commerce, and the Shopify platform includes a mobile-optimized checkout system, designed to enable merchants' buyers to more easily buy products over mobile websites. Our merchants are able to offer their buyers the ability to quickly and securely check out by using Shop Pay, Apple Pay, and Google Pay on the web, and we continue to explore other new ways to accelerate checkout. Shopify's mobile capabilities are not limited to the front end: merchants who are often on-the-go find themselves managing their storefronts via their mobile devices, as Shopify continues to strive to make it easier to do so.

Infrastructure. We build our platform to address the growing challenges facing merchants and with the aim of making complex tasks simple. The Shopify platform is engineered to enterprise-level standards and functionality and designed for simplicity and ease of use. We also design our platform with a robust technical infrastructure able to manage large spikes in traffic that accompany events such as new product releases, holiday shopping seasons, and flash sales. We are constantly innovating and enhancing our platform, with our continuously deployed, multi-tenant architecture ensuring all of our merchants are always using the latest technology.

This combination of ease of use with enterprise-level functionality allows merchants to start with a Shopify store and grow with our platform to almost any size. Using Shopify, merchants may never need to re-platform. Our Shopify Plus subscription plan was created to accommodate larger merchants, with additional functionality, scalability and support requirements. The Shopify Plus plan also appeals to larger merchants not already on Shopify who want to migrate from their expensive and complex legacy solutions and get more functionality.

A rich ecosystem of app developers, theme designers and other partners, such as digital and service professionals, marketers, photographers, and affiliates has evolved around the Shopify platform. More than 43,000 of these partners have referred merchants to Shopify over the last year, and this strong, symbiotic relationship continues to grow. We believe this ecosystem has grown in part due to the platform’s functionality, which is highly extensible and can be expanded through our API and the more than 7,000 apps available in the Shopify App Store. The partner ecosystem helps drive the growth of our merchant base, which in turn further accelerates growth of the ecosystem.

Our mission is to make commerce better for everyone, and we believe we can help merchants of nearly all sizes, from aspirational entrepreneurs to large enterprises, and all retail verticals realize their potential at all stages of their business life cycle. While our platform can scale to meet the needs of large merchants, we focus on selling to small and medium-sized businesses and entrepreneurs. Most of our merchants are on subscription plans that cost less than $50 per month, which is in line with our focus of providing cost effective solutions for early stage businesses. In the nine months ended September 30, 2021, our platform facilitated GMV of $121.3 billion, representing an increase of 54.7% from the nine months ended September 30, 2020. A detailed description of this metric is presented below in the section entitled, “Key Performance Indicators”.

Our business has experienced rapid growth. During the nine months ended September 30, 2021, our total revenue was $3,231.8 million, an increase of 65.6% versus the nine months ended September 30, 2020. Our business model has two revenue streams: a recurring subscription component we call subscription solutions and a merchant success-based component we call merchant solutions.

In the nine months ended September 30, 2021, subscription solutions revenues accounted for 30.7% of our total revenues (32.2% in the nine months ended September 30, 2020). We offer a range of plans that increase in price depending on additional features and economic considerations. Our highest-end plan, Shopify Plus, is offered at a starting rate that is several times that of our standard Shopify plans. Shopify Plus solves for the complexity of merchants as they grow and scale globally, offering additional functionality, and support, including features like Shopify Flow and Launchpad, for ecommerce automation, and dedicated account management where appropriate. Allbirds, Gymshark, Heinz, and Staples Canada are a few of the Shopify Plus merchants seeking a reliable, cost-effective and scalable commerce solution. The flexibility of our pricing plans is designed to help our merchants grow in a cost-effective manner and to provide more advanced features and support as their business needs evolve.

Revenue from subscription solutions is generated through the sale of subscriptions to our platform, including variable platform fees, as well as through the sale of subscriptions to our Point-of-Sale ("POS") Pro offering, the sale of themes, the sale of apps, and the registration of domain names. Subscription solutions revenues increased from $629.3 million in the nine months ended September 30, 2020 to $991.1 million in the nine months ended September 30, 2021, representing an increase of 57.5%. Our merchants typically enter into monthly subscription agreements. The revenue from these agreements is recognized over time on a ratable basis over the contractual term and therefore we have deferred revenue on our balance sheet. We do not consider this deferred revenue balance to be a good indicator of future revenue. Instead, we believe MRR is most closely correlated with the long-term value of our merchant relationships. As of September 30, 2021, MRR totaled $98.8 million, representing an increase of 32.8%

relative to MRR at September 30, 2020. From the nine months ended September 30, 2020 to the nine months ended September 30, 2021, subscription solutions revenue grew at a faster rate than MRR due mainly to platform fees increasing as a percentage of total subscription solutions. A detailed description of this metric is presented below in the section entitled, "Key Performance Indicators".

We offer a variety of merchant solutions that are designed to add value to our merchants and augment our subscription solutions. During the nine months ended September 30, 2021, merchant solutions revenues accounted for 69.3% of total revenues (67.8% in the nine months ended September 30, 2020). We principally generate merchant solutions revenues from payment processing fees from Shopify Payments. Shopify Payments is a fully integrated payment processing service that allows our merchants to accept and process payment cards online and offline. In addition to payment processing fees from Shopify Payments, we also generate merchant solutions revenue from other transaction services, referral fees, advertising revenue on the Shopify App Store, Shopify Capital, Shop Pay Installments, Shopify Shipping, Shopify Fulfillment Network, non-cash consideration obtained for services rendered as part of strategic partnerships, the sale of POS hardware and collaborative warehouse fulfillment solutions. Shopify Capital is available for merchants in the United States, the United Kingdom and Canada. Our merchant solutions revenues are directionally correlated with the level of GMV that our merchants process through our platform. Merchant solutions revenues increased from $1,322.4 million in the nine months ended September 30, 2020 to $2,240.7 million in the nine months ended September 30, 2021, representing an increase of 69.4%.

Our business model is driven by our ability to attract new merchants, retain revenue from existing merchants, and increase sales to both new and existing merchants. Our merchants represent a wide array of retail verticals, business sizes, and geographies and no single merchant has ever represented more than five percent of our total revenues in a single reporting period. We believe that our future success is dependent on many factors, including our ability to expand our merchant base, retain merchants as they grow their businesses on our platform, offer more sales channels that connect merchants with their specific target audience, develop new solutions to extend our platform's functionality and catalyze merchants' sales growth, enhance our ecosystem and partner programs, provide a high level of merchant support, hire, retain and motivate qualified personnel, and build with a focus on maximizing long-term value.

We have focused on rapidly growing our business and plan to continue making investments to drive future growth. We believe that our investments will increase our revenue base, improve the retention of this base and strengthen our ability to increase sales to our merchants.

Consistent with investing for the long-term, in 2019 we began building Shopify Fulfillment Network, a network of fulfillment centers across the United States, to help merchants deliver orders to buyers quickly and cost-effectively. Shopify Fulfillment Network aims to leverage our scale with machine learning, including demand forecasting, smart inventory allocation across warehouses and intelligent order routing to ultimately improve supply chain economics and delivery for merchants. We expect to continue to invest in and optimize this offering to further support our merchants.

Key Performance Indicators

Key performance indicators, which we do not consider to be non-GAAP measures, that we use to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions include Monthly Recurring Revenue ("MRR") and Gross Merchandise Volume ("GMV"). Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

The following table shows MRR and GMV for the three and nine months ended September 30, 2021 and 2020.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(in thousands)		(in thousands)	
Monthly Recurring Revenue	$ 98,779	$ 74,360	$ 98,779	$ 74,360
Gross Merchandise Volume	$ 41,764,997	$ 30,917,155	$ 121,305,253	$ 78,437,873

Monthly Recurring Revenue

We calculate MRR 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, which excludes variable platform fees, in effect on the last day of that period, assuming they maintain their subscription plans the following month. Subscription plans to both our platform and our POS Pro offering are included in this calculation. Merchants on free trials are excluded from this calculation through the duration of the free trial. MRR allows us to average our various pricing plans and billing periods into a single, consistent number that we can track over time. We also analyze the factors that make up MRR, specifically the number of paying merchants using our platform and changes in our average revenue earned from subscription plan fees per paying merchant. In addition, we use MRR to forecast monthly, quarterly and annual subscription plan revenue, which makes up the majority of our subscription solutions revenue. We had $98.8 million of MRR as at September 30, 2021 compared to $74.4 million as at September 30, 2020. In the three months ended September 30, 2020, our MRR growth rate increased significantly which was driven by shops that were created during the extended free trial period offered from March 21, 2020 to May 31, 2020 remaining on the platform and converting to paying merchants in the quarter. Subsequent quarters have observed a lower MRR growth rate, relative to the three months ended September 30, 2020 due to the timing of the end of the conversion period associated with the extended free trial.

Gross Merchandise Volume

GMV is the total dollar value of orders facilitated through our 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. GMV does not represent revenue earned by us. However, the volume of GMV facilitated through our platform is an indicator of the success of our merchants and the strength of our platform. Our merchant solutions revenues are also directionally correlated with the level of GMV facilitated through our platform. For the three and nine months ended September 30, 2021, we facilitated GMV of $41.8 billion and $121.3 billion, respectively (2020 - $30.9 billion and $78.4 billion, respectively). In the three months ended September 30, 2021, we experienced a decrease in GMV relative to the preceding quarter as consumer spend on services and off-line retail expanded, and ecommerce, after easing from its peak share as a percent of total retail, resumed a more normalized pace of growth relative to 2020. This decrease was partially offset by traditional retail businesses expanding or migrating their operations online with our platform and services as well as by an increase in the number of merchants using our retail POS solutions.

Factors Affecting the Comparability of Our Results

Change in Revenue Mix

As a result of the continued growth of Shopify Payments, revenue-sharing agreements, transaction fees, Shopify Shipping, Shopify Capital, and Shopify Fulfillment Network, our revenues from merchant solutions have generally increased significantly. Merchant solutions are intended to complement subscription solutions by providing additional value to our merchants and increasing their use of our platform. Gross profit margins on Shopify Payments, the biggest driver of merchant solutions revenue, are typically lower than on subscription solutions due to the associated third-party costs of providing this solution. We view this revenue stream as beneficial to our operating margins, as Shopify Payments requires significantly less sales and marketing and research and development expense than Shopify's core subscription business. We expect the development of Shopify Fulfillment Network and 6RS to be dilutive to the gross margin percentage for merchant solutions in the short term. The lower margins on merchant solutions compared to subscription solutions means that the continued growth of merchant solutions may cause a decline in our overall gross margin percentage.

Seasonality

Our merchant solutions revenues are directionally correlated with the level of GMV that our merchants facilitated through our platform. Our merchants typically process additional GMV during the fourth quarter holiday season. As a result, we have historically generated higher merchant solutions revenues in our fourth quarter than in other quarters. While we believe that this seasonality has affected and will continue to affect our quarterly results, our rapid growth has largely masked seasonal trends to date. As a result of the continued growth of our merchant solutions offerings, we believe that our business may become more seasonal in the future and that historical patterns in our business may not be a reliable indicator of our future performance. In addition, the ongoing effect of the COVID-19 pandemic has accelerated the shift of purchase habits to ecommerce. This contributed to additional GMV during the last three quarters of 2020 and the first three quarters of 2021. Going forward, we may experience a decrease in GMV as a result of lower consumer spending on goods, although we expect that any decrease would at least be partially offset by more traditional retail businesses expanding or migrating their operations online with our platform and services.

Foreign Currency Fluctuations

While most of our revenues are denominated in USD, a significant portion of our operating expenses are incurred in CAD. As a result, our results of operations will be adversely impacted by an increase in the value of the CAD relative to the USD. In addition, a portion of Shopify Payments revenue is based on the local currency of the country in which the applicable merchant is located and these transactions expose us to currency fluctuations to the extent non-USD based payment processing and other merchant solutions revenues increase. Refer to the "Risks and Uncertainties—Foreign Currency Exchange Risk" section below for additional information on the effect on reported results of changes in foreign exchange rates.

Key Components of Results of Operations

During the three and nine months ended September 30, 2021, the only significant change to the key components of results of operations, when compared to our key components for the year ended December 31, 2020, was that the fair value of our investments in Affirm Holdings, Inc. ("Affirm") and Global-E Online Ltd. ("Global-E") became readily determinable and the use of the measurement alternative was no longer applicable. As a result, these investments are re-measured to fair value at each balance sheet date and any movements in the fair values are recognized into net income. The results from these equity investments may fluctuate from period to period based on their respective closing share prices on the last day of trading of each reporting period and may cause volatility to our earnings as well as impact comparability of our results from period to period.

See Management's Discussion and Analysis dated February 17, 2021 as well as our Annual Report on Form 40-F for the year ended December 31, 2020 for details on the key components of results of operations.

Quarterly Results of Operations

The following table sets forth our results of operations for the three and nine months ended September 30, 2021 and 2020.

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(in thousands, except share and per share data)			
Revenues:				
Subscription solutions	336,208	245,274	991,126	629,317
Merchant solutions	787,532	522,131	2,240,706	1,322,430
	1,123,740	767,405	3,231,832	1,951,747
Cost of revenues[(1)(2)]:				
Subscription solutions	67,355	52,170	188,764	134,282
Merchant solutions	447,476	310,087	1,254,583	780,333
	514,831	362,257	1,443,347	914,615
Gross profit	608,909	405,148	1,788,485	1,037,132
Operating expenses:				
Sales and marketing[(1)(2)]	237,949	147,608	626,082	447,320
Research and development[(1)(2)]	221,028	143,427	580,471	393,050
General and administrative[(1)]	128,722	51,799	273,790	179,948
Transaction and loan losses	25,311	11,753	53,903	39,202
Total operating expenses	613,010	354,587	1,534,246	1,059,520
(Loss) income from operations	(4,101)	50,561	254,239	(22,388)
Other income, net	1,344,553	135,806	3,375,072	152,999
Income before income taxes	1,340,452	186,367	3,629,311	130,611
(Provision for) recovery of income taxes	(192,020)	4,701	(343,341)	65,026
Net income	1,148,432	191,068	3,285,970	195,637
Net income per share attributable to shareholders:				
Basic	$ 9.18	$ 1.59	$ 26.44	$ 1.65
Diluted	$ 9.00	$ 1.54	$ 25.84	$ 1.59
Shares used to compute net income per share attributable to shareholders:				
Basic	125,071,460	120,511,484	124,297,069	118,692,898
Diluted	127,619,188	124,908,279	127,263,746	123,399,606

(1) Includes stock-based compensation expense and related payroll taxes as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenues	$ 1,987	$ 2,914	$ 5,647	$ 5,767
Sales and marketing	11,673	11,481	33,548	36,346
Research and development	63,840	47,741	175,855	133,987
General and administrative	30,638	13,266	72,602	35,715
	$ 108,138	$ 75,402	$ 287,652	$ 211,815

(2) Includes amortization of acquired intangibles as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
	(in thousands)			
Cost of revenues	$ 5,536	$ 4,531	$ 14,439	$ 14,956
Sales and marketing	386	388	1,158	1,164
Research and development	58	58	174	174
	$ 5,980	$ 4,977	$ 15,771	$ 16,294

Revenues

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	2020	% Change	2021	2020	% Change
	(in thousands, except percentages)					
Revenues:						
Subscription solutions	$ 336,208	$ 245,274	37.1 %	$ 991,126	$ 629,317	57.5 %
Merchant solutions	787,532	522,131	50.8 %	2,240,706	1,322,430	69.4 %
Total revenues	$ 1,123,740	$ 767,405	46.4 %	$ 3,231,832	$ 1,951,747	65.6 %
Percentage of revenues:						
Subscription solutions	29.9 %	32.0 %		30.7 %	32.2 %	
Merchant solutions	70.1 %	68.0 %		69.3 %	67.8 %	
	100.0 %	100.0 %		100.0 %	100.0 %	

Subscription Solutions

Subscription solutions revenues increased $90.9 million, or 37.1%, for the three months ended September 30, 2021 compared to the same period in 2020. The period-over-period increase was primarily a result of growth in MRR, which was driven largely by the higher number of merchants using our platform.

Subscription solutions revenues increased $361.8 million, or 57.5%, for the nine months ended September 30, 2021 compared to the same period in 2020. The period-over-period increase was primarily a result of growth in MRR, which was driven largely by the higher number of merchants using our platform. For the nine months ended September 30, 2020, MRR growth was higher than subscriptions solutions revenue largely due to reduced subscriptions solutions revenue while the extended free trial on all new standard plans ran from the end of March to the end of August.

Merchant Solutions

Merchant solutions revenues increased $265.4 million, or 50.8%, for the three months ended September 30, 2021 compared to the same period in 2020. The increase in merchant solutions revenues was primarily a result of Shopify Payments revenue growing in the three months ended September 30, 2021 compared to the same period in 2020. This increase was a result of consumers turning to ecommerce for more of their purchases due to the impacts of COVID-19, an increase in number of merchants using our platform, improved pricing, continued expansion into new geographical regions, and an increase in our Shopify Payments penetration rate, which was 49.2%, resulting in GMV of $20.5 billion that was facilitated using Shopify Payments for the three months ended September 30, 2021. This compares to a penetration rate of 45.2% resulting in GMV of $14.0 billion that was facilitated using Shopify Payments in the same period in 2020.

Merchant solutions revenues increased $918.3 million, or 69.4%, for the nine months ended September 30, 2021 compared to the same period in 2020. The increase in merchant solutions revenues was primarily a result of Shopify Payments revenue growing in the nine months ended September 30, 2021 compared to the same period in 2020. This increase was a result of consumers turning to ecommerce for more of their purchases due to the impacts of COVID-19, an increase in number of merchants using our platform, improved pricing, continued expansion into new geographical regions, and an increase in our Shopify Payments penetration, which was 47.9%, resulting in GMV of $58.1 billion that was facilitated using Shopify Payments for the nine months ended September 30, 2021. This compares to a penetration rate of 44.3% resulting in GMV of $34.8 billion that was facilitated using Shopify Payments in the same period in 2020.

In addition to the increase in revenue from Shopify Payments, referral fees from partners, Shopify Shipping, Shopify Capital, revenue from transaction fees, and Shopify Fulfillment Network increased during the three and nine months ended September 30, 2021 compared to the same periods in 2020, as a result of the increase in GMV facilitated through our platform compared to the same periods in 2020. Furthermore, the recognition of non-cash consideration received for services rendered as part of strategic partnerships drove an increase in merchant solutions revenue during the three and nine months ended September 30, 2021 compared to the same periods in 2020.

Cost of Revenues

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	2020	% Change	2021	2020	% Change
	(in thousands, except percentages)					
Cost of revenues:						
Cost of subscription solutions	$ 67,355	$ 52,170	29.1 %	$ 188,764	$ 134,282	40.6 %
Cost of merchant solutions	447,476	310,087	44.3 %	1,254,583	780,333	60.8 %
Total cost of revenues	$ 514,831	$ 362,257	42.1 %	$ 1,443,347	$ 914,615	57.8 %
Percentage of revenues:						
Cost of subscription solutions	6.0 %	6.8 %		5.8 %	6.9 %	
Cost of merchant solutions	39.8 %	40.4 %		38.8 %	40.0 %	
	45.8 %	47.2 %		44.7 %	46.9 %	

Cost of Subscription Solutions

Cost of subscription solutions increased $15.2 million, or 29.1%, for the three months ended September 30, 2021 compared to the same period in 2020. The increase was due to an increase in the costs necessary to support a greater number of merchants using our platform, resulting in an increase in: infrastructure and hosting costs, credit card fees for processing merchant billings, employee-related costs, and payments to third-party partners for the registration of domain names. As a percentage of revenues, cost of subscription solutions decreased from 6.8% in the three months ended September 30, 2020 to 6.0% in the three months ended September 30, 2021 due to subscription solutions representing a smaller percentage of our total revenues, subscription solution revenues growing at a faster rate than the related costs, and certain platform-related intangibles having been fully depreciated prior to the beginning of the three months ended September 30, 2021.

Cost of subscription solutions increased $54.5 million, or 40.6%, for the nine months ended September 30, 2021 compared to the same period in 2020. The increase was due to an increase in the costs necessary to support a greater number of merchants using our platform, resulting in an increase in: infrastructure and hosting costs, credit card fees for processing merchant billings, employee-related costs, payments to third-party partners for the registration of domain names, and payments to third-party theme developers. As a percentage of revenues, cost of subscription solutions decreased from 6.9% in the nine months ended September 30, 2020 to 5.8% in the nine months ended September 30, 2021 due to subscription solutions representing a smaller percentage of our total revenues, subscription solution revenues growing at a faster rate than the related costs, and certain platform-related intangibles having been fully depreciated prior to the beginning of the nine months ended September 30, 2021.

Cost of Merchant Solutions

Cost of merchant solutions increased $137.4 million, or 44.3%, for the three months ended September 30, 2021 compared to the same period in 2020. The increase was primarily due to higher payment processing and interchange fees resulting from an increase in GMV facilitated through Shopify Payments. The increase was also due to an increase in costs associated with amortization related to acquired intangible assets, product costs associated with supporting and expanding our product offerings, costs associated with operating Shopify Fulfillment Network, employee-related costs, cost of POS hardware units, credit card fees for processing merchant billings, infrastructure and hosting costs, and 6RS costs such as employee-related costs, materials and third-party manufacturing costs. Cost of merchant solutions as a percentage of revenues decreased from 40.4% in the three months ended September 30, 2020 to 39.8% in the three months ended September 30, 2021 due mainly to the recognition of non-cash consideration received for services rendered as part of strategic partnerships which have higher margins.

Cost of merchant solutions increased $474.3 million, or 60.8%, for the nine months ended September 30, 2021 compared to the same period in 2020. The increase was primarily due to higher payment processing and interchange fees resulting from an increase in GMV facilitated through Shopify Payments. The increase was also due to an increase in costs associated with operating Shopify Fulfillment Network, credit card fees for processing merchant billings, cost of POS hardware units, costs associated with 6RS such as employee-related costs, materials and third-party manufacturing costs, product costs associated with supporting and expanding our product offerings, infrastructure and hosting costs, and employee-related costs. Cost of merchant solutions as a percentage of revenues decreased from 40.0% in the nine months ended September 30, 2020 to 38.8% in the nine months ended September 30, 2021, due to lower payment processing and interchange fees from Shopify Payments relative to the increase in Shopify Payments revenues. Cost of merchant solutions as a percentage of revenues also decreased as a result of the recognition of non-cash consideration received for services rendered as part of strategic partnerships which have higher margins, as well as lower amortization related to acquired intangibles and lower product costs associated with supporting and expanding our product offerings relative to the increase in merchant solutions revenues.

Gross Profit

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	2020	% Change	2021	2020	% Change
			(in thousands, except percentages)			
Gross profit	$ 608,909	$ 405,148	50.3 %	$ 1,788,485	$ 1,037,132	72.4 %
Percentage of total revenues	54.2 %	52.8 %		55.3 %	53.1 %	

Gross profit increased $203.8 million, or 50.3%, for the three months ended September 30, 2021 compared to the same period in 2020. As a percentage of total revenues, gross profit increased from 52.8% in the three months ended September 30, 2020 to 54.2% in the three months ended September 30, 2021, principally due to higher revenues from higher-margin products such as referral revenue, and Shopify Capital. The increase was also due to the recognition of non-cash consideration received for services rendered as part of strategic partnerships which have higher margins as well as total revenues growing at a faster rate than the related costs.

Gross profit increased $751.4 million, or 72.4%, for the nine months ended September 30, 2021 compared to the same period in 2020. As a percentage of total revenues, gross profit increased from 53.1% in the nine months ended September 30, 2020 to 55.3% in the nine months ended September 30, 2021, principally due to higher revenues from higher-margin products such as referral revenue, Shopify Shipping, and Shopify Capital, as well as improved Shopify Payments margins and revenues growing at a faster rate than the related costs. The increase was also due to the recognition of non-cash consideration received for services rendered as part of strategic partnerships which bear higher margins. The overall increase was offset slightly by the costs associated with the continued development of Shopify Fulfillment Network.

Operating Expenses

Sales and Marketing

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	2020	% Change	2021	2020	% Change
			(in thousands, except percentages)			
Sales and marketing	$ 237,949	$ 147,608	61.2 %	$ 626,082	$ 447,320	40.0 %
Percentage of total revenues	21.2 %	19.2 %		19.4 %	22.9 %	

Sales and marketing expenses increased $90.3 million, or 61.2%, for the three months ended September 30, 2021 compared to the same period in 2020, due to an increase of $60.8 million spent on marketing programs to support the growth of our business, such as advertisements on search engines and display ads. The increase in sales and marketing expenses also includes an increase of $27.0 million in employee-related costs ($0.2 million of which related to stock-based compensation and related payroll taxes) as the growth in our employee base was slightly offset by lower facilities costs in the three months ended September 30, 2021 compared to the same period in 2020.

Sales and marketing expenses increased $178.8 million, or 40.0%, for the nine months ended September 30, 2021 compared to the same period in 2020, due to an increase of $122.5 million in marketing programs to support the growth of our business, such as advertisements on search engines and display ads, as well as payments to partners, offset slightly by lower spend on media. The increase in sales and marketing expenses also includes an increase of $51.1 million in employee-related costs (which was offset by a $2.8 million decrease related to stock-based compensation and related payroll taxes) as the growth in our employee base was slightly offset by lower facilities costs in the nine months ended September 30, 2021 compared to the same period in 2020.

Research and Development

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	2020	% Change	2021	2020	% Change
			(in thousands, except percentages)			
Research and development	$ 221,028	$ 143,427	54.1 %	$ 580,471	$ 393,050	47.7 %
Percentage of total revenues	19.7 %	18.7 %		18.0 %	20.1 %	

Research and development expenses increased $77.6 million, or 54.1%, for the three months ended September 30, 2021 compared to the same period in 2020, due to an increase of $73.7 million in employee-related costs ($16.1 million of which related to stock-based compensation and related payroll taxes) and a $3.7 million increase in computer hardware and software costs, all as a result of the growth in our employee base and expanded development programs.

Research and development expenses increased $187.4 million, or 47.7%, for the nine months ended September 30, 2021 compared to the same period in 2020, due to an increase of $174.3 million in employee-related costs ($41.9 million of which related to stock-based compensation and related payroll taxes) and an $11.8 million increase in computer hardware and software costs, all as a result of the growth in our employee base and expanded development programs.

General and Administrative

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	2020	% Change	2021	2020	% Change
			(in thousands, except percentages)			
General and administrative	$ 128,722	$ 51,799	148.5 %	$ 273,790	$ 179,948	52.1 %
Percentage of total revenues	11.5 %	6.7 %		8.5 %	9.2 %	

General and administrative expenses increased $76.9 million, or 148.5%, for the three months ended September 30, 2021 compared to the same period in 2020, due largely to an increase of $35.4 million in employee-related costs ($17.4 million of which related to stock-based compensation and related payroll taxes). The increase was also due to an impairment of $30.1 million relating to certain office locations we have ceased using and will be either terminated or sublet, $28.4 million of which was related to our right-of-use assets and $1.7 million of which was related to our leasehold improvements. General and administrative expenses also increased due to a $7.3 million increase in finance costs, which includes insurance, sales and use and other value added taxes, sustainability spend, and employee functions, and a $3.1 million increase in professional services for legal and financial services.

General and administrative expenses increased $93.8 million, or 52.1%, for the nine months ended September 30, 2021 compared to the same period in 2020, due to an increase of $70.7 million in employee-related costs ($36.9 million of which related to stock-based compensation and related payroll taxes), a $13.2 million increase in finance costs, which includes sales and use and other value added taxes, sustainability spend, insurance, and an increase in general bad debt expense related to expected credit losses, and a $9.3 million increase in professional services for legal and financial services. The increase was offset slightly due to an impairment of $31.6 million recognized in the nine months ended September 30, 2020 relating to certain office locations we have ceased using and have been or will be either terminated or sublet compared to an impairment of $30.1 million in the nine months ended September 30, 2021 relating to additional office locations we have ceased using and will be either terminated or sublet.

Transaction and Loan Losses

	Three months ended September 30, 2021	Three months ended September 30, 2020	2021 vs. 2020 % Change	Nine months ended September 30, 2021	Nine months ended September 30, 2020	2021 vs. 2020 % Change
	(in thousands, except percentages)					
Transaction and loan losses	$ 25,311	$ 11,753	115.4 %	$ 53,903	$ 39,202	37.5 %
Percentage of total revenues	2.3 %	1.5 %		1.7 %	2.0 %	

Transaction and loan losses increased $13.6 million, or 115.4%, for the three months ended September 30, 2021 compared to the same period in 2020, due to an increase of $8.6 million in losses related to Shopify Payments, as a result of an increase in realized losses in the period and increased GMV processed through Shopify Payments, offset by a decrease in the current expected loss rate related to Shopify Payments relative to the same period in 2020. The increase is also due to an increase in losses related to Shopify Capital of $5.0 million driven by an expansion of our Capital offerings and programs as well as an increase in current expected losses related to Shopify Capital relative to the same period in 2020.

Transaction and loan losses increased $14.7 million, or 37.5%, for the nine months ended September 30, 2021 compared to the same period in 2020, due to an increase in losses related to Shopify Capital of $11.6 million driven by an expansion of our Capital offerings and programs as well as an increase in current expected losses related to Shopify Capital relative to the same period in 2020. The increase is also due to an increase of $3.1 million in losses related to Shopify Payments, as a result of an increase in realized losses in the period and increased GMV processed through Shopify Payments, offset by a decrease in the current expected loss rate related to Shopify Payments relative to the same period in 2020.

Other Income

	Three months ended September 30, 2021	Three months ended September 30, 2020	2021 vs. 2020 % Change	Nine months ended September 30, 2021	Nine months ended September 30, 2020	2021 vs. 2020 % Change
	(in thousands, except percentages)					
Other income, net	$ 1,344,553	$ 135,806	*	$ 3,375,072	$ 152,999	*

* Not a meaningful comparison

In the three months ended September 30, 2021 we had other income of $1,344.6 million, compared to other income of $135.8 million in the same period in 2020. The increase was driven by an unrealized gain on equity and other investments of $1,340.8 million. The unrealized gain is mainly related to our investments in Affirm and Global-E due to the change in their share prices from June 30, 2021 to September 30, 2021. An additional unrealized gain of $3.7 million from our investment in a private company's convertible notes was also recognized in the three months ended September 30, 2021 as a result of a change in its fair value. Other income also increased due to an increase in interest income of $0.7 million, as lower interest rates on marketable securities was offset by interest earned on the convertible notes of a private company, and a $0.4 million reduction in interest expense related to the Notes.

In the nine months ended September 30, 2021 we had other income of $3,375.1 million, compared to other income of $153.0 million in the same period in 2020. The increase was driven mainly by the unrealized gains from our Affirm and Global-E investments totaling $3,360.7 million and unrealized gains in investments in private companies of $31.9 million as a result of observable price changes. The increases were slightly offset by a net unrealized loss related to multiple investments in another private company made up of three separate equity investments and a convertible notes investment. The three equity investments do not have readily determinable fair values and are currently accounted for using the measurement alternative. Subsequent to the closing of the first equity investment, the second equity investment was part of an observable transaction and resulted in the recognition of a $26.7 million unrealized loss. The unrealized loss from the equity investments was slightly offset by an unrealized gain of $3.7

million on the fair value of our convertible note investment in the same private company. Additionally, other income decreased as a result of a reduction in interest income of $9.8 million, primarily due to lower interest rates offset slightly by interest income from our investment in convertible notes in a private company, a change in the foreign exchange gain of $0.8 million in 2020 to a foreign exchange loss of $2.3 million in 2021, resulting in a decrease in other income of $3.1 million, and a $1.4 million increase in interest expense related to the Notes.

(Provision for) Recovery of Income Taxes

	Three months ended September 30,		2021 vs. 2020	Nine months ended September 30,		2021 vs. 2020
	2021	**2020**	**% Change**	**2021**	**2020**	**% Change**
	(in thousands, except percentages)					
(Provision for) recovery of income taxes	$ (192,020)	$ 4,701	*	$ (343,341)	$ 65,026	*

* Not a meaningful comparison

As a result of the unrealized gain on equity and other investments, ongoing operations, other discrete items, primarily related to tax benefits for share-based compensation, the impairment of right-of-use assets and fixed assets, our ability to carry-back losses to prior years in Canada, and the recognition of deferred tax assets in Canada, we have a provision for income taxes of $192.0 million and $343.3 million in the three and nine months ended September 30, 2021, respectively. This compares to a recovery of income taxes of $4.7 million and $65.0 million in the same periods in 2020 primarily due to tax benefits for share-based compensation, the impairment of right-of-use assets and fixed assets, unrealized gains on equity and other investments, our ability to carry-back losses to prior years in Canada, and the recognition of deferred tax assets in the United States.

Summary of Quarterly Results

The following table sets forth selected unaudited quarterly results of operations data for each of the eight quarters ended September 30, 2021. The information for each of these quarters has been derived from unaudited condensed consolidated financial statements that were prepared on the same basis as the audited annual financial statements and, in the opinion of management, reflects all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods in accordance with U.S. GAAP. This data should be read in conjunction with our unaudited condensed consolidated financial statements and audited consolidated financial statements and related notes for the relevant period. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	Three months ended							
	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019
	(in thousands, except per share data)							
Revenues:								
Subscription solutions	$ 336,208	$ 334,237	$ 320,681	$ 279,440	$ 245,274	$ 196,434	$ 187,609	$ 183,166
Merchant solutions	787,532	785,208	667,966	698,304	522,131	517,907	282,392	321,994
	1,123,740	1,119,445	988,647	977,744	767,405	714,341	470,001	505,160
Cost of revenues:(1)(2)								
Subscription solutions	67,355	63,027	58,382	59,250	52,170	44,400	37,712	37,369
Merchant solutions	447,476	435,558	371,549	414,106	310,087	294,907	175,339	203,900
	514,831	498,585	429,931	473,356	362,257	339,307	213,051	241,269
Gross profit	608,909	620,860	558,716	504,388	405,148	375,034	256,950	263,891
Operating expenses:								
Sales and marketing(1)(2)	237,949	201,910	186,223	154,728	147,608	144,850	154,862	132,063
Research and development(1)(2)	221,028	183,557	175,886	159,077	143,427	133,227	116,396	102,753
General and administrative(1)	128,722	77,966	67,102	65,395	51,799	83,307	44,842	50,518
Transaction and loan losses	25,311	17,986	10,606	12,647	11,753	13,366	14,083	8,636
Total operating expenses	613,010	481,419	439,817	391,847	354,587	374,750	330,183	293,970
(Loss) income from operations	(4,101)	139,441	118,899	112,541	50,561	284	(73,233)	(30,079)
Other income (expenses), net	1,344,553	779,874	1,250,645	(2,788)	135,806	4,084	13,109	11,539
Income (loss) before income taxes	1,340,452	919,315	1,369,544	109,753	186,367	4,368	(60,124)	(18,540)
(Provision for) recovery of income taxes	(192,020)	(40,222)	(111,099)	14,119	4,701	31,630	28,695	19,311
Net income (loss)	$ 1,148,432	$ 879,093	$ 1,258,445	$ 123,872	$ 191,068	$ 35,998	$ (31,429)	$ 771
Net income (loss) per share attributable to shareholders:								
Basic	$ 9.18	$ 7.06	$ 10.21	$ 1.01	$ 1.59	$ 0.30	$ (0.27)	$ 0.01
Diluted	$ 9.00	$ 6.90	$ 9.94	$ 0.99	$ 1.54	$ 0.29	$ (0.27)	$ 0.01

(1) Includes stock-based compensation expense and related payroll taxes as follows:

	Three months ended							
	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019
	(in thousands)							
Cost of revenues	$ 1,987	$ 1,809	$ 1,851	$ 1,705	$ 2,914	$ 1,529	$ 1,324	$ 1,209
Sales and marketing	11,673	10,990	10,885	10,044	11,481	12,431	12,434	11,319
Research and development	63,840	55,988	56,027	54,262	47,741	49,825	36,421	32,361
General and administrative	30,638	23,759	18,205	16,480	13,266	12,682	9,767	8,533
	$ 108,138	$ 92,546	$ 86,968	$ 82,491	$ 75,402	$ 76,467	$ 59,946	$ 53,422

(2) Includes amortization of acquired intangibles as follows:

	Three months ended							
	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019
	(in thousands)							
Cost of revenues	$ 5,536	$ 4,372	$ 4,531	$ 4,532	$ 4,531	$ 4,856	$ 5,569	$ 4,820
Sales and marketing	386	386	386	384	388	388	388	283
Research and development	58	58	58	59	58	58	58	58
	$ 5,980	$ 4,816	$ 4,975	$ 4,975	$ 4,977	$ 5,302	$ 6,015	$ 5,161

The following table sets forth selected unaudited quarterly statements of operations data as a percentage of total revenues for each of the eight quarters ended September 30, 2021.

	Three months ended							
	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019
Revenues:								
Subscription solutions	29.9%	29.9%	32.4%	28.6%	32.0%	27.5%	39.9%	36.3%
Merchant solutions	70.1%	70.1%	67.6%	71.4%	68.0%	72.5%	60.1%	63.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues:								
Subscription solutions	6.0%	5.6%	5.9%	6.1%	6.8%	6.2%	8.0%	7.4%
Merchant solutions	39.8%	38.9%	37.6%	42.4%	40.4%	41.3%	37.3%	40.4%
	45.8%	44.5%	43.4%	48.5%	47.2%	47.5%	45.3%	47.8%
Gross profit	54.2%	55.5%	56.5%	51.6%	52.8%	52.5%	54.7%	52.2%
Operating expenses:								
Sales and marketing	21.2%	18.0%	18.8%	15.8%	19.2%	20.3%	32.9%	26.1%
Research and development	19.7%	16.4%	17.8%	16.3%	18.7%	18.7%	24.8%	20.3%
General and administrative	11.5%	7.0%	6.8%	6.7%	6.7%	11.7%	9.5%	10.0%
Transaction and loan losses	2.3%	1.6%	1.1%	1.3%	1.5%	1.9%	3.0%	1.7%
Total operating expenses	54.6%	43.0%	44.5%	40.1%	46.2%	52.5%	70.2%	58.1%
(Loss) income from operations	(0.4)%	12.5%	12.0%	11.5%	6.6%	0.0%	(15.6)%	(5.9)%
Other income (expenses), net	119.6%	69.7%	126.5%	(0.3)%	17.7%	0.6%	2.8%	2.3%
Income (loss) before income taxes	119.3%	82.1%	138.5%	11.2%	24.3%	0.6%	(12.8)%	(3.6)%
(Provision for) recovery of income taxes	(17.1)%	(3.6)%	(11.2)%	1.4%	0.6%	4.4%	6.1%	3.8%
Net income (loss)	102.2%	78.5%	127.3%	12.7%	24.9%	5.0%	(6.7)%	0.2%

We believe that year-over-year comparisons are more meaningful than our sequential results due to seasonality in our business. While we believe that this seasonality has affected and will continue to affect our quarterly results, our rapid growth has largely masked seasonal trends to date. Our merchant solutions revenues are directionally correlated with our merchants' GMV. Our merchants' GMV typically increases during the fourth-quarter holiday season. As a result, we have historically generated higher merchant solutions revenues in our fourth quarter than in other quarters. Due to the ongoing effect of the COVID-19 pandemic, which has accelerated the shift of purchasing habits to ecommerce, we have observed a rapid growth in merchant solutions revenue in our most recent quarters. As a result of the continued growth of our merchant solutions offerings, we believe that our business may become more seasonal in the future, and that historical patterns in our business may not be a reliable indicator of our future performance.

Quarterly Revenue and Gross Margin Trends

Historically, revenues experienced a seasonal decrease in our first quarters as buyers typically reduce their spending following the holiday season resulting in a seasonal decrease in GMV per merchant, which was not completely offset by merchant and MRR growth. Subsequently, revenues have increased in each of the next three quarters as a result of merchant, MRR, and overall GMV growth. Our merchants have processed additional GMV during the fourth-quarter holiday seasons, and as a result we have generated higher merchant solutions revenues in our fourth quarters compared to other quarters. However, due to the ongoing effect of the COVID-19 pandemic which has accelerated the shift of purchasing habits to ecommerce, we have observed a rapid increase in merchant solutions revenue in recent quarters that do not replicate historical patterns. As a result, and in combination with strong subscription solutions growth, total revenues in the first quarter of 2021 exceeded total revenues from the fourth quarter of 2020. Due to the continued growth of our merchant solutions offerings, we believe that our business may become more seasonal in the future.

Our gross margin percentage has varied over the past eight quarters and is generally driven by the mix between our higher-margin subscription solutions revenue and lower-margin merchant solutions revenue. While our total revenues have increased in recent periods, the mix has shifted towards merchant solutions revenue, most notably in the fourth quarter due to higher holiday volume of orders facilitated and the resulting Shopify Payments revenue during this period. We expect this overall trend to continue over time.

Quarterly Operating Expenses Trends

Total operating expenses have increased sequentially for each period presented, with the exception of the third quarter of 2020 when quarter over quarter expenses decreased as a result of the impairment charges and accelerated depreciation on certain office space recognized in the second quarter of 2020. Total operating expenses have increased primarily due to the addition of personnel in connection with the expansion of our business, additional marketing initiatives to attract potential merchants as well as additional operating expenses associated with the acquisition of 6RS.

Quarterly Other Income (Expenses) Trends

Historically, there have been no consistent trends associated with other income (expenses) as changes are impacted by fluctuations in the fair value of our equity investments in public companies with readily determinable fair values, observable changes or impairments associated with our equity investments in private companies without readily determinable fair values, changes in the fair value of our investment in convertible notes of a private company, foreign exchange rates, and interest rates. The results from these changes may fluctuate from period to period and may cause volatility to our earnings as well as impact comparability of our results from period to period.

Key Balance Sheet Information

	September 30, 2021	December 31, 2020
	(in thousands)	
Cash, cash equivalents and marketable securities	$ 7,518,694	$ 6,387,967
Total assets	13,536,518	7,762,905
Total liabilities	2,166,241	1,362,182
Total non-current liabilities	1,569,684	923,850

Total assets increased $5,773.6 million as at September 30, 2021 compared to December 31, 2020, principally due to a $4,271.7 million increase in equity and other investments due mainly to unrealized gains on our investments in Affirm and Global-E received in conjunction with strategic partnerships, a $1,130.7 million increase in cash, cash equivalents and marketable securities driven largely by our February 2021 public equity offering partly offset by the purchase of equity and other investments, a $279.3 million increase in merchant cash advances, loans and related receivables largely due to an expansion of our Capital offerings and programs, a $37.6 million increase in goodwill due to the acquisition of Donde Fashion Inc. ("Donde"), a $31.0 million increase in trade and other receivables, a $12.6 million increase in other current assets, a $6.3 million increase in intangible assets due mainly to the acquisition of Donde offset by amortization in the period, a $4.0 million increase in right-of-use assets, and a $1.3 million increase in income taxes receivable. Total liabilities increased by $804.1 million, principally as a result of a $310.6 million increase in deferred tax liabilities, a $249.5 million increase in deferred revenue mainly due to the non-cash consideration received for services rendered in conjunction with our partnership with Global-E and a private company, an increase of $152.4 million in the carrying amount of the Notes due to the adoption of ASU 2020-06 in the period resulting in a single unit of account on the balance sheet as further described below in the section entitled "Critical Accounting Policies and Estimates", a $49.8 million increase in accounts payable and accrued liabilities, a $34.9 million increase in lease liabilities, and a $6.8 million increase in income taxes payable.

Liquidity and Capital Resources

To date, we have financed our operations primarily through the sale of equity securities as well as the sale of the Notes, raising approximately $7.8 billion, net of issuance costs, from investors.

In July 2021, we filed an amended and restated short-form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, except Quebec, and a corresponding shelf registration statement on Form F-10 with the U.S. Securities and Exchange Commission. The shelf prospectus and registration statement allows Shopify to offer Class A subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, from time to time during the 25-month period the shelf prospectus is effective, which commenced August 6, 2020. The amendment increased the total amount Shopify can offer under the shelf prospectus and registration statement to $10 billion.

In February 2021, the Company completed a public offering in which it issued and sold 1,180,000 Class A subordinate voting shares at a public offering price of $1,315.00 per share. The Company received total net proceeds of $1,541.2 million after deducting offering fees and expenses of $10.5 million.

In September 2020, the Company completed a public offering in which it issued and sold 1,265,000 Class A subordinate voting shares at a public offering price of $900.00 per share, including 165,000 Class A subordinate voting shares purchased by the underwriters pursuant to the exercise of the over-allotment option. The Company received total net proceeds of $1,117.6 million after deducting offering fees and expenses of $20.9 million.

In September 2020, the Company also issued $920.0 million aggregate principal amount of 0.125% convertible senior notes due 2025. The net proceeds from the issuance of the Notes were $908.0 million after deducting underwriting discounts and offering costs. The Notes have an initial conversion rate of 0.6944 Class A subordinate voting shares per one thousand dollars of principal amount of Notes, which is equivalent to an initial conversion price of approximately $1,440.09 per share. The Notes bear cash interest at 0.125% per year and, if we undergo a "fundamental change" (which includes a change of control of more than 50% of our common equity or our liquidation or dissolution) prior to the maturity date of the Notes, we will, subject to limited exceptions, be required to purchase for cash all outstanding Notes at a purchase price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest to, but excluding, the fundamental change purchase date.

In July 2020, due to the expiry of our previous short-term base shelf prospectus, we filed a new short-form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, except Quebec, and a corresponding shelf registration statement on Form F-10 with the U.S. Securities and Exchange Commission. This shelf prospectus and registration statement allows Shopify to offer up to $7.5 billion of Class A subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, from time to time during the 25-month period that the shelf prospectus is effective.

In May 2020, the Company completed a public offering in which it issued and sold 2,127,500 Class A subordinate voting shares at a public offering price of $700.00 per share, including 277,500 Class A subordinate voting shares purchased by the underwriters pursuant to the exercise of the over-allotment option. The Company received total net proceeds of $1,460.9 million after deducting offering fees and expenses of $28.3 million.

Our principal cash requirements are for working capital and capital expenditures. Excluding current deferred revenue, working capital at September 30, 2021 was $7,940.0 million. Given the ongoing cash generated from operations and our existing cash and cash equivalents, we believe there is sufficient liquidity to meet our current and planned financial obligations over the next 12 months. Our future financing requirements will depend on many factors including our growth rate, subscription renewal activity, the timing and extent of spending to support development of our platform, the expansion of sales and marketing activities, the macroeconomic conditions and overall levels of consumer spending on goods, and potential mergers and acquisitions activity. Although we currently are not a party to any material undisclosed agreement and do not have any understanding with any third parties with respect to potential material investments in, or material acquisitions of, businesses or technologies, we may enter into these types of arrangements in the future, which could also require us to seek additional equity or debt financing. Additional funds may not be available on terms favorable to us or at all.

Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents, and marketable securities increased by $1,130.7 million to $7,518.7 million as at September 30, 2021 from $6,388.0 million as at December 31, 2020, primarily as a result of proceeds from the public equity offering in February 2021, cash provided by our operating activities, and proceeds from the exercise of stock options, partly offset by the purchase of equity and other investments and the acquisition of Donde.

Cash equivalents and marketable securities include money market funds, term deposits, U.S. and Canadian federal bonds and agency securities, corporate bonds and commercial paper, all maturing within the 12 months from September 30, 2021.

The following table summarizes our total cash, cash equivalents and marketable securities as at September 30, 2021 and 2020 as well as our operating, investing and financing activities for the nine months ended September 30, 2021 and 2020:

	Nine months ended September 30,	
	2021	**2020**
	(in thousands)	
Cash, cash equivalents and marketable securities (end of period)	$ 7,518,694	$ 6,121,161
Net cash provided by (used in):		
Operating activities	$ 243,970	$ 179,592
Investing activities	(2,367,903)	(1,270,566)
Financing activities	1,613,612	3,536,617
Effect of foreign exchange on cash and cash equivalents	(3,663)	(5,675)
Net (decrease) increase in cash and cash equivalents	(513,984)	2,439,968
Change in marketable securities	1,644,711	1,225,999
Net increase in cash, cash equivalents and marketable securities	$ 1,130,727	$ 3,665,967

Cash Flows From Operating Activities

Our largest source of operating cash is from merchant solutions. Within merchant solutions, the largest source of cash flows are Shopify Payments processing fee arrangements, which are received on a daily basis as transactions are processed. We also generate significant cash flows from our subscription solutions with subscription revenues being our single largest source of cash flows. These payments are typically paid to us at the beginning of the applicable subscription period, except for our Shopify Plus merchants who typically pay us at the end of their monthly billing cycle. Our primary uses of cash from operating activities are for third-party payment processing fees, advancing funds to merchants through Shopify Capital, employee-related expenditures, third-party shipping and fulfillment partners, marketing programs, outsourced hosting costs, and leased facilities.

For the nine months ended September 30, 2021, cash provided by operating activities was $244.0 million. This was primarily as a result of our net income of $3,286.0 million, which once adjusted for a net unrealized gain on equity and other investments of $3,369.5 million, $306.8 million increase in net deferred income taxes, $232.5 million of stock-based compensation expense, $44.1 million of amortization and depreciation, $37.4 million in revenue related to non-cash consideration, $30.1 million of impairment of right-of-use assets and leasehold improvements, a $25.7 million increase of our provision for transaction and loan losses, an unrealized foreign exchange loss of $3.7 million, and a $1.8 million of amortization of debt offering costs related to the Notes offering, contributed $523.7 million of positive cash flows. Additional cash flows of $85.0 million were provided by the following changes in operating liabilities: a $286.9 million increase in deferred revenue due mainly to the non-cash consideration received in conjunction with our partnerships with Global-E and a private company, of which the initial value of the total non-cash consideration received in exchange for these services was $257.6 million; a $39.4 million increase in accounts payable and accrued liabilities, a $13.6 million net change in income tax assets and liabilities, and a $2.7 million net change in lease assets and liabilities. Cash used of $364.8 million resulted from the following increases in operating assets: $307.2 million in merchant cash advances and loans as we continued to grow Shopify Capital; $27.3 million in other current assets driven primarily by an increase in deposits and prepaid expenses; and $30.3 million in trade and other receivables.

For the nine months ended September 30, 2020, cash provided operating activities was $179.6 million. This was primarily as a result of our net income of $195.6 million, which once adjusted for $179.9 million of stock-based compensation expense, $133.2 million of unrealized gains in equity and other investments, $52.2 million of amortization and depreciation, $31.6 million of impairment of right-of-use assets and leasehold improvements, a $20.0 million increase of our provision for transaction and loan losses, a $5.6 million change in net deferred income taxes, a $1.7 million increase in revenue related to non-cash consideration, a $1.2 million increase of amortization of debt discount and offering costs related to the Notes offering, and an unrealized foreign exchange gain of $1.2 million, contributed $349.9 million of positive cash flows. Additional cash flows of $145.3 million were provided by the following changes in operating liabilities: a $86.1 million increase in accounts payable and accrued liabilities; a $58.9 million increase in deferred revenue; and a $0.3 million increase in net lease liabilities. Cash used of $315.6 million resulted from the following increases in operating assets; a $139.9 million net change in income tax assets and liabilities, largely driven by an increase in corporate taxes receivable from the Government of Canada of $71.3 million, and a $68.6 million decrease in corporate taxes payable relating to a payment made to the Government of Canada; $112.4 million in merchant cash advances and loans; $24.7 million in non-cash consideration received in exchange for services, $21.1 million in trade and other receivables, and $17.4 million in other current assets.

Cash Flows From Investing Activities

Cash flows used in investing activities are primarily related to the purchase and sale of marketable securities, equity and other investments, the acquisition of a business, and purchases of computer equipment.

Net cash used in investing activities in the nine months ended September 30, 2021 was $2,367.9 million, which was driven by net purchases of $1,650.7 million in marketable securities, $642.6 million used to purchase equity and other investments, $49.8 million used for the Donde business acquisition, and $24.8 million used to purchase property and equipment, which consisted mainly of leasehold improvements to accommodate our future needs at our remaining office locations and computer equipment.

Net cash used in investing activities in the nine months ended September 30, 2020 was $1,270.6 million, which was driven by net purchases of $1,224.9 million in marketable securities, $35.4 million used to purchase property and equipment, which primarily consisted of expenditures on leasehold improvements made prior to our decision to shift to being a digital-by-design company, $10.1 million used to purchase equity and other investments, and $0.3 million used for purchasing and developing software.

Cash Flows From Financing Activities

Cash flows from financing activities are primarily related to public offerings, the issuance of the Notes, and exercises of stock options.

Net cash provided by financing activities in the nine months ended September 30, 2021 was $1,613.6 million driven by $1,541.2 million raised in our February 2021 public equity offering, and $72.4 million in proceeds from the issuance of Class A subordinate voting shares and Class B multiple voting shares as a result of stock option exercises. This compares to $3,536.6 million for the same period in 2020, driven by the $1,460.9 million raised in our May 2020 public equity offering, $1,117.6 million raised in our September 2020 public equity offering, $908.0 million in proceeds from the issuance of Notes in September 2020, and by $50.1 million which related to stock option exercises.

Contractual Obligations and Contingencies

Our principal commitments consist of our Notes and obligations under our operating leases for office and commercial space. The following table summarizes our contractual obligations as of September 30, 2021:

	Payments Due by Period				
	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years	Total
			(in thousands)		
Convertible senior notes(1)	$ 1,150	$ 2,300	$ 921,725	$ —	$ 925,175
Bank indebtedness	—	—	—	—	—
Operating lease and unconditional purchase obligations(2)	160,597	200,803	115,470	373,689	850,559
Total contractual obligations	$ 161,747	$ 203,103	$ 1,037,195	$ 373,689	$ 1,775,734

(1) $920,000 of the payments due in three to five years may be settled in Class A subordinate voting shares instead of cash, at our option.
(2) Consists of payment obligations under our office and commercial leases as well as other unconditional purchase obligations.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements, other than operating leases and other unconditional purchase obligations (which have been disclosed above under "Contractual Obligations and Contingencies").

Risks and Uncertainties

We are exposed to a variety of risks, including foreign currency exchange fluctuations, changes in the fair values of our equity and other investments, changes in interest rates, concentration of credit and inflation. We regularly assess currency, interest rate and inflation risks to minimize any adverse effects on our business as a result of those factors. We are also exposed to other uncertainties as the COVID-19 pandemic continues to evolve. For further discussion of these risks and uncertainties see "Risk Factors" in our annual information form.

Foreign Currency Exchange Risk

While the majority of our revenues are denominated in USD, a significant portion of operating expenses are incurred in CAD. As a result, our earnings are adversely affected by an increase in the value of the CAD relative to the USD. Foreign currency forward contracts are used to hedge against the earning effects of such fluctuations.

Effect of Foreign Exchange Rates

The following non-GAAP financial measure converts our revenues, cost of revenues, operating expenses, and income (loss) from operations using the comparative period's monthly average exchange rates:

	Nine months ended September 30,			
	2021			2020
	GAAP Amounts As Reported	Exchange Rate Effect [1]	At Prior Year Effective Rates [2]	GAAP Amounts As Reported
	(in thousands)			
Revenues	$ 3,231,832	$ (5,502)	$ 3,226,330	$ 1,951,747
Cost of revenues	(1,443,347)	5,501	(1,437,846)	(914,615)
Operating expenses	(1,534,246)	8,737	(1,525,509)	(1,059,520)
Income (loss) from operations	$ 254,239	$ 8,736	$ 262,975	$ (22,388)

(1) Represents the increase or decrease in GAAP amounts reported resulting from using the comparative period's effective CAD-USD foreign exchange rates.
(2) Represents the outcome that would have resulted if the comparative period's effective CAD-USD foreign exchange rates are applied to the current reporting period.

This effect of foreign exchange rates on our consolidated statements of operations disclosure is a supplement to our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP. We have provided the above non-GAAP disclosure as we believe it presents a clear comparison of our period to period operating results by removing the impact of fluctuations in the CAD to USD exchange rate and to assist investors in understanding our financial and operating performance. Non-GAAP financial measures are not recognized measures for financial statement presentation under U.S. GAAP, 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 U.S. GAAP.

Interest Rate Sensitivity

We had cash, cash equivalents and marketable securities in our cash management program totaling $7,518.7 million as of September 30, 2021. The cash and cash equivalents are held for operations and working capital purposes. Our investments within cash, cash equivalents and marketable securities are made for capital preservation purposes. We do not enter into these types of investments for trading or speculative purposes.

Our cash equivalents and our portfolio of marketable securities are subject to market risk due to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Our future investment income may fall short of our expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our debt securities as "held to maturity," no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other than temporary.

In July 2021, we invested $200.0 million in a private company through the purchase of convertible notes. This investment is classified as an available-for-sale debt security, for which we have elected to account for under the fair value option. The investment is carried at fair value at each balance sheet date and any movements in the fair value are recognized in net income. The fair value is determined based on a binomial pricing model in which the underlying entity's valuation and interest rates impact the market value of the investment.

In September 2020, we issued $920.0 million aggregate principal amount of Notes. The Notes have a fixed annual interest rate of 0.125%; accordingly, we do not have economic interest rate exposure on the Notes. However, the fair market value of the Notes is exposed to interest rate risk. Generally, the fair market value of our fixed interest rate

Notes will increase as interest rates fall and decrease as interest rates rise. In addition, the fair market value of the Notes will generally fluctuate as the price of our Class A subordinate voting shares fluctuates. On our balance sheet, we carry the Notes at face value less debt offering costs, plus any amortization of offering costs, and we present the fair value for required disclosure purposes only.

Concentration of Credit Risk

The Company’s cash and cash equivalents, marketable securities, trade and other receivables, merchant cash advances, loans and related receivables, debt securities and foreign exchange derivative products subject the Company to concentrations of credit risk. Management mitigates this risk associated with cash and cash equivalents by making deposits and entering into foreign exchange derivative products only with large banks and financial institutions that are considered to be highly creditworthy. Management mitigates the risks associated with marketable securities by adhering to its investment policy, which stipulates minimum rating requirements, maximum investment exposures and maximum maturities. Due to the Company’s diversified merchant base, there is no material concentration of credit risk related to the Company’s trade and other receivables and merchant cash advances and loans receivable. Trade and other receivables and merchant cash advances and loans receivable are monitored on an ongoing basis to ensure timely collection of amounts. The Company has mitigated some of the risks associated with Shopify Capital by entering into an agreement with a third party that insures a portion of the merchant cash advances and loans offered by Shopify Capital. The receivable related to insurance recoveries is included in the merchant cash advances, loans and related receivables balance. The Company mitigates the risks associated with debt securities through its diligence process performed prior to investing. There are no receivables from individual merchants accounting for 10% or more of revenues or receivables. Potential ongoing effects from the novel coronavirus "COVID-19" pandemic on the Company's credit risk have been considered in the Company's allowances for expected credit losses on contract balances and merchant cash advances and loans. The Company continues its assessment given the fluidity of COVID-19's global impact.

Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

Internal Control Over Financial Reporting

All control systems, no matter how well designed, have inherent limitations. Accordingly, even disclosure controls and procedures, and internal controls over financial reporting determined to be effective can only provide reasonable assurance of achieving their control objectives with respect to financial statement preparation and presentation.

Management of the Company, under the supervision of the Company's CEO and CFO, is responsible for establishing and maintaining adequate internal control over the Company's financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP.

During the period covered by this quarterly report, there were no changes in the Company’s internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Critical Accounting Policies and Estimates

We prepare our condensed consolidated financial statements in accordance with U.S. GAAP. In the preparation of these condensed consolidated financial statements, we are required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we re-evaluate these estimates on an ongoing basis.

Other than the adoption of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2020-06 described below, and the fair value of our investments in Affirm and Global-E being readily determinable, as described under "Key Components of Results of Operations", there have been no significant changes in our critical accounting policies during the three and nine months ended September 30, 2021 as compared to the critical accounting policies described in our most recent annual consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which eliminates certain models associated with accounting for convertible instruments, makes targeted improvements to the disclosures for convertible instruments and earnings per share guidance, and amends the guidance for the derivative scope exception for contracts in an entity's own equity. The updates are effective for annual periods beginning after December 15, 2021 including interim periods within those periods. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those periods. The Company early adopted this ASU effective January 1, 2021 using the modified retrospective approach. The adoption eliminated the requirement to separately account for the liability and equity components of its 0.125% convertible senior notes due 2025, which existed under previous accounting guidance. This resulted in a reclassification of $158,810 from additional paid-in capital to long-term liabilities. Furthermore, as a result of the adoption, non-cash interest expense related to the Company's currently outstanding Notes has been eliminated. As the Company previously recognized non-cash interest expense relating to the debt discount on the liability component, this resulted in a $8,198 cumulative adjustment to increase opening retained earnings.

Shares Outstanding

Shopify is a publicly traded company listed on the New York Stock Exchange (NYSE: SHOP) and on the Toronto Stock Exchange (TSX: SHOP). As of October 22, 2021 there were 113,632,507 Class A subordinate voting shares issued and outstanding, and 11,967,828 Class B multiple voting shares issued and outstanding.

As of October 22, 2021 there were 285,743 options outstanding under the Company’s Fourth Amended and Restated Incentive Stock Option Plan, of which 283,868 were vested as of such date. Each such option is or will become exercisable for one Class B multiple voting share. As of October 22, 2021 there were 943,676 options outstanding under the Company’s Amended and Restated Stock Option Plan, of which 623,812 were vested as of such date. Each such option is or will become exercisable for one Class A subordinate voting share. As of October 22, 2021 there were 36,320 options outstanding under the 6 River Systems 2016 Amended and Restated Stock Option and Grant Plan, which the Company assumed on closing of its acquisition of 6RS on October 17, 2019. Of these options, 19,858 were vested as of such date. Each option is or will become exercisable for one Class A subordinate voting share.

As of October 22, 2021 there were 805,694 Restricted Share Units ("RSUs") and 921 Deferred Share Units ("DSUs") outstanding under the Company’s Amended and Restated Long Term Incentive Plan. Each such RSU or DSU will vest as one Class A subordinate voting share.

EXHIBIT 99.3

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Tobias Lütke, Chief Executive Officer of Shopify Inc.**, certify the following:

1. ***Review***: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Shopify Inc.** (the "issuer") for the interim period ended **September 30, 2021**.

2. ***No misrepresentations***: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation***: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility***: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*, for the issuer.

5. ***Design***: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

(a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

(i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

(ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework**: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR***: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on **July 1, 2021** and ended on **September 30, 2021** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **October 28, 2021**
/s/ Tobias Lütke

Tobias Lütke
Chief Executive Officer

EXHIBIT 99.4

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Amy Shapero, Chief Financial Officer of Shopify Inc.**, certify the following:

1. ***Review***: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of **Shopify Inc.** (the "issuer") for the interim period ended **September 30, 2021**.
2. ***No misrepresentations***: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
3. ***Fair presentation***: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility***: The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings*, for the issuer.
5. ***Design***: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

(a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

(i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

(ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework**: The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR***: The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on **July 1, 2021** and ended on **September 30, 2021** that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **October 28, 2021**

/s/ Amy Shapero

Amy Shapero
Chief Financial Officer