UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____



Shopify Inc.

(Exact name of registrant as specified in its charter)

Canada	**001-37400**	**98-0486686**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(IRS Employer Identification No.)

8488 Rozita Lee Ave, Bldg 3 Suite 100

Las Vegas, Nevada 89113

(Address of principal executive office, including zip code)

Registrant's telephone number, including area code: **(613) 241-2828 x 1045**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Subordinate Voting Shares	**SHOP**	**The Nasdaq Global Select Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 1,208,456,928 Class A Subordinate Voting Shares, 78,065,084 Class B Restricted Voting Shares and 1 Founder Share issued and outstanding as of October 30, 2026.

Shopify Inc.
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Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements under the provisions of the United States ("U.S.") Private Securities Litigation Reform Act of 1995, Section 27A of the U.S. Securities Act of 1933 (as amended, the "Securities Act"), Section 21E of the U.S. Securities Exchange Act of 1934 (as amended, the "Exchange Act") and forward-looking information within the meaning of applicable Canadian securities legislation.

In some cases, you can identify forward-looking statements by terminology such as "enable", "may", "might", "will", "should", "could", "expects", "focused on", "intends", "plans", "anticipates", "believes", "predicts", "potential", "continue", "become", "seek", "strive" or the negative of these terms or other similar words. Any forward-looking statements 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. 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 include, but are not limited to, statements about:

- our ability to: expand, grow and retain our merchant base; localize features; offer more sales channels that can connect to our platform; increase and extend the functionality of our platform; catalyze merchants' sales growth; leverage emerging technologies, including artificial intelligence ("AI"); enhance our ecosystem and partner programs; provide a high level of merchant service; hire key talent and retain and motivate qualified personnel; and maximize long-term value;
- our products and solutions enabling and increasing the probability of merchant success;
- our beliefs regarding future macroeconomic conditions and their impact on Shopify and our merchants, including with regard to inflationary pressures, international trade risks and trade protection measures, including tariffs, trade wars, barriers and restrictions, or threats of such actions and related uncertainty;
- the expected impact of seasonality on our current and future business;
- our exposure to fluctuations in foreign currencies;
- the ability to grow our addressable markets and meet merchant needs;
- our expectation that we will continue to invest in data analytics, machine learning and AI;
- our expectations regarding the development of emerging technologies, including AI, and applications of these technologies to our business;
- our intentions regarding future growth and investments to drive future growth, the impact of those investments and our ability to manage such growth effectively;
- our intention to further tailor our sales strategies to attract large volume brands;
- expansion of our platform's capabilities;
- enhancing our ecosystem and partner program, including through the formation of strategic partnerships;
- our ability to quickly distribute new versions of our platform;
- our expectations regarding our sustainability initiatives;
- our assumptions regarding competitive factors in our markets and the expectation of increased competition;
- our ability to continuously enhance, protect and safeguard our intellectual property;
- the possibility that we may experience cybersecurity attacks in the future and future efforts to harden our infrastructure to build resilience in the face of such threats;
- our expectations of legislation and government regulation and the impact on our platform;
- the impact of strategic decisions on short-term revenue or profitability;
- the need to devote additional resources to improve our operational infrastructure and continue to enhance its scalability;
- our expectations regarding our future financial performance, including revenue, gross margin, operating expenses and cash flows;
- our expectations regarding market risks, including foreign currency exchange risk and interest rate risk, and the effectiveness of our hedging activities;
- our expectations regarding our liquidity position;
- the expansion of our platform and offerings internationally;

- our ability to maintain our corporate culture as we execute with a remote-first global workforce;
- our expectations regarding the adoption of our platform and solutions by Shopify Plus merchants and enterprise-level businesses;
- our expectation that the growth of our business will depend in part on the success of our relationships with third parties;
- our intention to pursue additional third-party relationships;
- our expectations regarding future investment in the business, including with respect to key talent, sales and marketing, research and development, the creation and implementation of new products and services, the functionality of our platform, merchant service and support, security and operational requirements, our network infrastructure, acquisitions and the expansion of our international operations;
- our ability to optimize marketing spend and successfully sell to and support enterprise merchants in order to drive growth;
- the effectiveness of our Flex Comp compensation system in attracting, motivating and retaining qualified personnel;
- our expectation that as our consumer-facing offerings evolve and grow in popularity, the risk of additional laws and regulations impacting our business will also increase;
- our intention to continue our use and development of open source software;
- potential acquisitions, divestitures and investments;
- expected synergies and other benefits from acquisitions, including from the integration of acquired technology;
- the exploration, expansion and evolution of other products, models, structures and additional markets for our lending and financing products;
- our expectations with respect to changes in our pricing models;
- our expectation that we will not pay any cash dividends in the foreseeable future;
- our expectations regarding the adoption and impact of new accounting standards;
- issuances of Class B restricted voting shares and preferred shares;
- redemption of the Founder Share;
- our intention to invest our future earnings, if any, to fund our growth;
- our tax positions and our expectations about defending them with global tax authorities; and
- our expectations with respect to adapting our current facilities.

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 Part I — Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 Form 10-K"), as well as in our condensed consolidated financial statements, related notes, and the other information appearing elsewhere in this report and our other filings with the Securities and Exchange Commission ("SEC").

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. In addition, we operate in a highly competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. No forward-looking statement is a guarantee of future results. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q represent our views as at the date of this Quarterly Report on Form 10-Q. 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 Quarterly Report on Form 10-Q.

PART I: FINANCIAL INFORMATION

Item 1: Financial Statements (unaudited)

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Shopify Inc.
Condensed Consolidated Balance Sheets
(unaudited)
(Expressed in US $ millions, except share amounts)

	September 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	1,868	1,545
Marketable securities	2,859	4,233
Trade and other receivables, net	483	500
Loans and merchant cash advances, net	2,350	1,784
Other current assets	226	234
	7,786	8,296
Long-term assets		
Property and equipment, net	50	53
Operating lease right-of-use assets, net	102	88
Intangible assets, net	125	30
Deferred tax assets	83	33
Other long-term assets	50	39
Long-term investments	524	975
Equity and other investments ($3,205 and $3,619, carried at fair value)	4,911	4,582
Equity method investment	538	602
Goodwill	495	491
	6,878	6,893
Total assets	**14,664**	**15,189**
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	1,250	1,075
Deferred revenue	345	300
Operating lease liabilities	7	17
	1,602	1,392
Long-term liabilities		
Deferred revenue	69	98
Operating lease liabilities	181	171
Deferred tax liabilities	63	55
	313	324
Contingencies (Note 9)		
Shareholders' equity		
Common stock, unlimited Class A subordinate voting shares authorized, 1,208,317,826 and 1,225,830,706, issued and outstanding; unlimited Class B restricted voting shares authorized, 78,065,084 and 78,073,594 issued and outstanding; 1 Founder Share authorized, 1 and 1 issued and outstanding	8,219	10,376
Additional paid-in capital	293	236
Accumulated other comprehensive (loss) income	(6)	1
Accumulated surplus	4,243	2,860
Total shareholders' equity	12,749	13,473
Total liabilities and shareholders' equity	**14,664**	**15,189**

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 $ millions, except share and per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenues				
Subscription solutions	836	699	2,388	1,975
Merchant solutions	2,906	2,145	8,107	5,909
	3,742	**2,844**	**10,495**	**7,884**
Cost of revenues				
Subscription solutions	175	128	486	372
Merchant solutions	1,786	1,325	4,974	3,650
	1,961	1,453	5,460	4,022
Gross profit	**1,781**	**1,391**	**5,035**	**3,862**
Operating expenses				
Sales and marketing	466	410	1,460	1,230
Research and development	497	375	1,379	1,146
General and administrative	130	115	381	346
Transaction and loan losses	120	148	377	303
Total operating expenses	1,213	1,048	3,597	3,025
Income from operations	**568**	**343**	**1,438**	**837**
Other income (expense), net				
Interest income	65	81	206	252
Net realized gain on equity and other investments	10	—	14	1
Net unrealized (loss) gain on equity and other investments	(127)	(62)	58	(402)
Net loss on equity method investment	(21)	(21)	(64)	(68)
Unrealized loss on embedded derivative	—	(29)	—	(29)
Foreign exchange gain (loss)	4	(4)	(12)	26
Total other (expense) income, net	(69)	(35)	202	(220)
Income before income taxes	499	308	1,640	617
Provision for income taxes	(37)	(44)	(257)	(129)
Net income	**462**	**264**	**1,383**	**488**
Net income per share attributable to shareholders:				
Basic	$ 0.36	$ 0.20	$ 1.07	$ 0.38
Diluted	$ 0.36	$ 0.20	$ 1.06	$ 0.37
Weighted average shares used to compute net income per share attributable to shareholders:				
Basic	1,286,866,079	1,300,069,685	1,295,087,677	1,297,764,857
Diluted	1,290,726,742	1,312,872,709	1,298,617,944	1,310,028,907
Other comprehensive income (loss)				
Unrealized gain (loss) on cash flow hedges	2	(9)	(9)	12
Tax effect on unrealized (loss) gain on cash flow hedges	(1)	3	2	(3)
Total other comprehensive income (loss)	1	(6)	(7)	9
Comprehensive income	**463**	**258**	**1,376**	**497**

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 $ millions, except share amounts)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Surplus	Total
	Shares	Amount				
As of December 31, 2024	**1,294,580,140**	**9,634**	**305**	**(10)**	**1,629**	**11,558**
Exercise of stock options	1,190,811	87	(28)	—	—	59
Stock-based compensation	—	—	114	—	—	**114**
Vesting of restricted share units	1,055,597	86	(88)	—	—	**(2)**
Issuance of shares related to business acquisition	252,257	24	(24)	—	—	**—**
Net loss and comprehensive income for the period	—	—	—	4	(682)	**(678)**
As of March 31, 2025	**1,297,078,805**	**9,831**	**279**	**(6)**	**947**	**11,051**
Exercise of stock options	1,132,628	68	(24)	—	—	44
Stock-based compensation	—	—	113	—	—	113
Vesting of restricted share units	1,156,751	86	(87)	—	—	(1)
Net income and comprehensive income for the period	—	—	—	11	906	917
As of June 30, 2025	**1,299,368,184**	**9,985**	**281**	**5**	**1,853**	**12,124**
Exercise of stock options	706,028	34	(10)	—	—	24
Stock-based compensation	—	—	107	—	—	107
Vesting of restricted share units	1,206,840	104	(106)	—	—	(2)
Net income and comprehensive loss for the period	—	—	—	(6)	264	258
As of September 30, 2025	**1,301,281,052**	**10,123**	**272**	**(1)**	**2,117**	**12,511**

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Surplus	Total
	Shares	Amount				
As of December 31, 2025	**1,303,904,301**	**10,376**	**236**	**1**	**2,860**	**13,473**
Exercise of stock options	202,056	10	(4)	—	—	6
Stock-based compensation	—	—	132	—	—	132
Vesting of restricted share units	886,692	106	(109)	—	—	(3)
Common stock, repurchased	(4,214,019)	(521)	—	—	—	(521)
Net loss and comprehensive loss for the period	—	—	—	(5)	(581)	(586)
As of March 31, 2026	**1,300,779,030**	**9,971**	**255**	**(4)**	**2,279**	**12,501**
Exercise of stock options	112,390	5	(2)	—	—	3
Stock-based compensation	—	—	128	—	—	128
Vesting of restricted share units	961,125	105	(107)	—	—	(2)
Common stock, repurchased	(12,645,957)	(1,445)	—	—	—	(1,445)
Net income and comprehensive loss for the period	—	—	—	(3)	1,502	1,499
As of June 30, 2026	**1,289,206,588**	**8,636**	**274**	**(7)**	**3,781**	**12,684**
Exercise of stock options	372,633	22	(7)	—	—	**15**
Stock-based compensation	—	—	140	—	—	**140**
Vesting of restricted share units	1,089,538	111	(114)	—	—	**(3)**
Common stock, repurchased	(4,285,848)	(550)	—	—	—	**(550)**
Net income and comprehensive income for the period	—	—	—	1	462	**463**
As of September 30, 2026	**1,286,382,911**	**8,219**	**293**	**(6)**	**4,243**	**12,749**

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 $ millions)

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Cash flows from operating activities				
Net income for the period	462	264	1,383	488
Adjustments to reconcile net income to net cash provided by operating activities:				
Amortization and depreciation	7	8	21	24
Stock-based compensation	140	107	400	334
Impairment of right-of-use assets and leasehold improvements	—	3	—	13
Provision for transaction and loan losses	67	102	209	189
Deferred income tax recovery	(68)	(5)	(42)	(36)
Revenue related to non-cash consideration	(13)	(12)	(38)	(37)
Unrealized loss on embedded derivative	—	29	—	29
Net loss (gain) on equity and other investments	117	62	(72)	401
Net loss on equity method investment	21	21	64	68
Unrealized foreign exchange loss (gain)	1	4	19	(54)
Changes in operating assets and liabilities	84	(70)	13	(111)
Net cash provided by operating activities	818	513	1,957	1,308
Cash flows from investing activities				
Purchases of property and equipment	(2)	(6)	(11)	(16)
Purchases of marketable securities	(866)	(1,460)	(2,363)	(4,642)
Maturities of marketable securities	1,302	1,956	4,215	4,751
Purchases and originations of loans and merchant cash advances[1]	(1,700)	(996)	(4,633)	(2,745)
Repayments and sales of loans and merchant cash advances[1]	1,471	849	3,931	2,253
Purchases of equity and other investments	(161)	(8)	(217)	(83)
Acquisition of businesses, net of cash acquired	(5)	—	(5)	(56)
Acquisition of intangible assets	(99)	—	(99)	—
Other	—	—	3	2
Net cash (used in) provided by investing activities	(60)	335	821	(536)
Cash flows from financing activities				
Proceeds from the exercise of stock options	15	24	24	127
Repurchases of common stock	(562)	—	(2,473)	—
Net cash (used in) provided by financing activities	(547)	24	(2,449)	127
Effect of foreign exchange on cash, cash equivalents and restricted cash	1	—	(6)	17
Net increase in cash, cash equivalents and restricted cash	**212**	**872**	**323**	**916**
Cash, cash equivalents and restricted cash – beginning of period	1,656	1,542	1,545	1,498
Cash, cash equivalents and restricted cash – end of period	**1,868**	**2,414**	**1,868**	**2,414**
Supplemental cash flow information:				
Cash paid for income taxes, net	70	23	311	111

[1] Starting in April 2026, the cash flows associated with merchant cash advances are presented within investing cash flows on a basis consistent with loans, given the similar nature of the underlying lending activities.

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

Notes to the Condensed Consolidated Financial Statements
(unaudited)

1. Nature of Business

Shopify Inc. ("Shopify" or the "Company") was incorporated on September 28, 2004. Shopify provides essential internet infrastructure for commerce. Shopify's all-in-one platform makes it easier to start, run and grow a business, powering sales online, in store, and everywhere in between. Shopify's mission is to make commerce better for everyone with a platform and services that are engineered for speed, customization, reliability and security, while delivering a better shopping experience for consumers everywhere. The Company's platform enables merchants to manage, market and sell their products across various sales channels, including online storefronts, physical retail spaces, AI platforms, social media and more. Shopify provides merchants with an integrated back-end system to streamline operations, from managing inventory and transaction management to building relationships with buyers. With a robust and continuously updated infrastructure, Shopify's goal is to provide merchants with cutting-edge technology to thrive in a competitive market.

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 U.S. 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 the fair statement of its financial position, results of operations and comprehensive income, changes in shareholders' equity and cash flows for the interim periods. These unaudited quarterly condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes included in Item 15 in the Company's 2025 Form 10-K. The consolidated balance sheet at December 31, 2025 is derived from the audited annual financial statements, but does not contain all of the footnote disclosures from the annual financial statements.

The quarterly results for the three and nine months ended September 30, 2026 are not necessarily indicative of the results expected for the full fiscal year.

3. Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies and no material updates in the Company's assessment of the recent accounting pronouncements not yet adopted during the three and nine months ended September 30, 2026, as compared to the significant accounting policies described in the Company's annual consolidated financial statements for the year ended December 31, 2025.

Use of Estimates

The preparation of condensed 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 condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates made by management. 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 and judgments involved in applying the measurement alternative associated with equity and other

investments in private companies, including revenue growth rates and revenue multiples based on market comparables; estimates involved in our equity method investment; probabilities of achieving performance milestones associated with non-cash revenue consideration from strategic partnerships; the probability and amount of loss contingencies; and judgments involved in uncertain tax positions.

Concentration of Credit Risk

The Company's cash and cash equivalents, marketable securities, trade and other receivables, loans, merchant cash advances and foreign exchange derivative instruments 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. We limit the amount of credit exposure with any one financial institution and conduct timely evaluations of the credit worthiness of these financial institutions. 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 particular concentration of credit risk related to the Company's trade and other receivables, loans receivable and merchant cash advances. Trade and other receivables, loans receivable and merchant cash advances are monitored on an ongoing basis to ensure timely collection of amounts. There are no receivables from individual merchants accounting for 10% or more of revenues or receivables.

Equity and Other Investments Risk

The Company holds equity and other investments that are subject to a wide variety of market-related risks that could substantially reduce or increase the fair value of our holdings. The Company's equity and other investments in public companies are recorded at fair value, which is subject to market price volatility. The Company also holds an investment option to purchase Series B common shares in Klaviyo, Inc. which is accounted for as a derivative instrument and valued using the Black-Scholes model, and is subject to market price volatility as well as a discount for lack of marketability. The Company's equity investments in private companies are recorded using the measurement alternative and are assessed each reporting period for observable price changes and impairments, which may involve estimates and judgments given the lack of readily available market data. Certain equity investments in private companies are in the early stages of development and are inherently risky due to their lack of operational history. Furthermore, for the equity method investment, Shopify's share of income and loss from these investments may cause volatility to Shopify's earnings. The Company's debt investments in convertible notes of private companies are recorded at fair value, which are impacted by the underlying entities' valuations and interest rates.

The Company has a high concentration of risk associated with a small number of equity and other investments that are impacted by fluctuations in their fair values or by observable changes or impairments.

Foreign Exchange Risk

The Company's results of operations and foreign currency assets and liabilities are exposed to foreign currency fluctuations.

While the majority of the Company's revenues, cost of revenues and operating expenses are denominated in USD, a significant portion are denominated in foreign currencies. Due to offering Shopify Payments, Shopify Capital, subscriptions and other billings to select countries in local currency, a significant proportion of revenue transactions are denominated in Euros ("EUR"), British pound sterling ("GBP") and Canadian dollars ("CAD"). Furthermore, a significant proportion of operating expenses are also incurred in the aforementioned foreign currencies.

Although foreign currency fluctuations associated with revenues and costs may partially offset one another in earnings, the Company uses foreign exchange derivative products to mitigate a portion of the remaining exposure of foreign currency fluctuations as discussed in "Note 4 - Financial Instruments". By their nature, derivative financial instruments involve risk, including the credit risk of non-performance by counterparties.

4. Financial Instruments

The Company measures financial instruments based on quoted prices in active markets (Level 1), inputs from similar instruments such as quoted prices or other observable market data (Level 2) or where little or no market activity exists, using unobservable inputs that require judgment or estimation (Level 3).

Debt Securities

The Company holds certain debt securities that are classified as held-to-maturity at the time of purchase as the Company has both the positive intent and ability to hold to maturity. The fair value of corporate bonds are based upon Level 2 inputs, which include 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.

The Company also holds debt securities in the form of convertible notes in private companies classified as available-for-sale for which the Company has elected to apply the fair value option. The investments are carried at fair value at each balance sheet date and any movements in the fair values are classified as "Other income (expense), net" in the condensed consolidated statements of operations and comprehensive income.

The following tables summarize debt securities by balance sheet classification and level within the fair value hierarchy:

	September 30, 2026				
	Carrying Value				
	Cash Equivalents	Marketable Securities	Long-term Investments	Equity and Other Investments	Fair Value
	(in US $ millions)				
Level 1:					
U.S. term deposits	—	250	—	—	257
U.S. federal bonds and agency securities	267	1,207	417	—	1,883
Corporate bonds and commercial paper	51	—	—	—	51
	318	1,457	417	—	2,191
Level 2:					
Corporate bonds and commercial paper	—	1,402	107	—	1,507
Level 3:					
Convertible notes in private companies	—	—	—	599	599
	318	2,859	524	599	4,297

The fair values of marketable securities above include accrued interest of $25 million, which is excluded from the carrying amounts. The accrued interest is included in "Trade and other receivables, net" in the condensed consolidated balance sheets. Additional accrued interest of $142 million recognized on the convertible notes in private companies is included in the carrying amount and fair value above.

	December 31, 2025				
	Carrying Value				
	Cash Equivalents	Marketable Securities	Long-term Investments	Equity and Other Investments	Fair Value
	(in US $ millions)				
Level 1:					
U.S. term deposits	—	520	—	—	531
U.S. federal bonds and agency securities	1	1,923	527	—	2,453
	1	2,443	527	—	2,984
Level 2:					
Corporate bonds and commercial paper	—	1,790	448	—	2,240
Level 3:					
Convertible notes in private companies	—	—	—	558	558
	1	4,233	975	558	5,782

The fair values above include accrued interest of $39 million, which is excluded from the carrying amounts. The accrued interest is included in "Trade and other receivables, net" in the condensed consolidated balance sheets. Additional accrued interest of $105 million recognized on the convertible notes in private companies is included in the carrying amount and fair value above.

The following table outlines estimated fair values of our debt securities by date of contractual maturity as of September 30, 2026:

	Fair Value
	(in US $ millions)
Due within one year	3,179
Due after one year to three years	519
	3,698

Equity Securities

The Company holds equity investments in public and private companies that were obtained through a combination of direct investment and strategic partnerships.

Equity Investments with Readily Determinable Fair Values

Equity investments with readily determinable fair values are comprised of:

	September 30, 2026			December 31, 2025		
	Level 1	Level 3	Total	Level 1	Level 3	Total
	(in US $ millions)					
Affirm Holdings, Inc.	1,405	—	1,405	1,511	—	1,511
Global-E Online Ltd.	879	—	879	868	—	868
Klaviyo, Inc.[(1)]	272	20	292	529	70	599
Other	20	—	20	8	—	8
	2,576	20	2,596	2,916	70	2,986

[(1)] In the three and nine months ended September 30, 2026, $5 million and $22 million was transferred from Level 3 to Level 1, respectively, due to the vesting of warrants (September 30, 2025 - $10 million and $33 million). The equity investments categorized as Level 3 in the fair value hierarchy represent unvested warrants that require the application of a discount for lack of marketability which was 8% at September 30, 2026 (December 31, 2025 - 11%).

Adjustments related to equity and other investments with readily determinable fair values for the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Balance, beginning of the period	2,703	2,755	2,986	3,183
Adjustments related to equity and other investments with readily determinable fair values:				
Investments received as part of sale of equity and other investments	19	—	19	—
Sale of equity and other investments	—	—	(5)	—
Net unrealized (losses) gains	(126)	28	(404)	(400)
Balance, end of the period	2,596	2,783	2,596	2,783

Equity Investments without Readily Determinable Fair Values

The carrying value of equity investments in private companies without readily determinable fair values were as follows:

	September 30, 2026	December 31, 2025
	(in US $ millions)	
Total initial value	1,287	1,068
Cumulative gross unrealized gains	838	310
Cumulative gross unrealized losses and impairment	(419)	(415)
Total carrying value of equity and other investments without readily determinable fair values	1,706	963

Adjustments related to equity and other investments without readily determinable fair values for the three and nine months ended September 30, 2026 and 2025 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Balance, beginning of the period	1,555	988	963	717
Purchases of equity and other investments	161	8	226	83
Investments received as non-cash consideration in exchange for services	—	—	8	—
Gross unrealized gains[1]	6	—	530	165
Sales of equity and other investments[2]	(9)	—	(14)	(1)
Gross unrealized losses and impairments[3]	(7)	(22)	(7)	(37)
Transfers into measurement alternative[4]	—	—	—	47
Balance, end of the period	1,706	974	1,706	974

[1] During the nine months ended September 30, 2026, the Company identified an observable price change resulting in the remeasurement of a private investment at fair value on a non-recurring basis. The resulting unrealized gains of $511 million (September 30, 2025 - $163 million) were presented as "Net unrealized (loss) gain on equity and other investments" in the condensed consolidated statements of operations and comprehensive income.

[2] During the three and nine months ended September 30, 2026, the Company held investments in private companies, which were acquired by third parties, resulting in the deemed sale of equity and other investments. The resulting realized gains are presented as "Net realized gain on equity and other investments" in the condensed consolidated statements of operations and comprehensive income.

[3] During the three and nine months ended September 30, 2026 and 2025, the Company applied certain valuation methods based on information available, including the market approach and option pricing models in order to quantify the level of impairment recognized. The resulting unrealized losses and impairments were presented as "Net unrealized (loss) gain on equity and other investments" in the condensed consolidated statements of operations and comprehensive income.

[4] In the nine months ended September 30, 2025, convertible notes in private companies with a fair value of $45 million and accrued interest of $2 million were converted and transferred from debt securities to equity investments without readily determinable fair values.

As of September 30, 2026, included in the total $1,706 million of equity and other investments without readily determinable fair values, $1,380 million was remeasured at fair value and was classified within Level 3 of the fair value measurement hierarchy on a non-recurring basis.

Equity Method Investment

The Company holds an equity method investment in Flexport which is presented within "Equity method investment" in the condensed consolidated balance sheets and is carried at the amount of Shopify's original investment, as adjusted each period for Shopify's share of the investee's income or loss and the basis difference amortization, which is the difference between the fair value of our investment in the company and the underlying equity in the net assets of the investee. Results are reported with a one-quarter delay due to the timing of financial information availability from the investee. For the three and nine months ended September 30, 2026, our share of the loss in the investee was $21 million and $64 million, respectively (September 30, 2025 - $21 million and $68 million), and is presented within "Net loss on equity method investment" in the condensed consolidated statements of operations and comprehensive income.

Derivative Instruments and Hedging

As of September 30, 2026, the Company held foreign exchange forward contracts and options for USD, CAD, GBP, EUR and Australian dollars ("AUD") with a total notional value of $779 million (December 31, 2025 - $702 million), to fund a portion of its operations. The fair value of foreign exchange forward contracts and options 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 Designated as Hedges

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 and options with certain financial institutions and designated those hedges as cash flow hedges. The Company is hedging cash flows associated with payroll and facility costs.

The fair values of outstanding derivative instruments were as follows:

	September 30, 2026	December 31, 2025
	(in US $ millions)	
Level 2:		
Foreign exchange forward contracts and options assets (classified in other current assets)	1	4
Foreign exchange forward contract liabilities (classified in accounts payable and accrued liabilities)	6	1

Unrealized gains and losses related to changes in the fair value of foreign exchange forward contracts and options designated as cash flow hedges were as follows:

	September 30, 2026	September 30, 2025
	(in US $ millions)	
Unrealized gains	—	2
Unrealized losses	(6)	(3)
Total net unrealized losses	(6)	(1)

These unrealized losses were included in "Accumulated other comprehensive (loss) income", "Other current assets" and "Accounts payable and accrued liabilities" in the condensed consolidated balance sheets. These amounts are expected to be reclassified into earnings over the next twelve months.

Realized losses related to the maturity of foreign exchange forward contracts and options designated as cash flow hedges were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Realized losses in operating expenses	(2)	(6)	(2)	(12)

Derivative Instruments Not Designated as Hedges

The Company holds an investment option to purchase 15,743,174 of Series B common shares of Klaviyo, Inc. at an exercise price of $88.93 with an expiration date of July 28, 2030. The options are fair valued quarterly under Level 3 of the fair value hierarchy as certain unobservable inputs are used within the Black-Scholes model as well as a discount for lack of marketability. The fair value of the options as of September 30, 2026, utilizing a discount for lack of marketability of 18%, was $10 million (December 31, 2025 - 21% and $75 million) and is presented within "Equity and other investments" in the condensed consolidated balance sheets. The Company recognized an unrealized loss of $65 million for the nine months ended September 30, 2026 (three and nine months ended September 30, 2025 - unrealized loss of $75 million and $147 million, respectively) and is presented as a component of "Net unrealized (loss) gain on equity and other investments".

5. Trade and Other Receivables

Trade receivables and unbilled revenues, net of allowance for credit losses, were as follows:

	September 30, 2026	December 31, 2025
	(in US $ millions)	
Unbilled revenues, net	270	229
Trade receivables, net	108	98
Indirect taxes receivable	48	109
Accrued interest	25	39
Other receivables	32	25
	483	500

Unbilled revenues represent amounts not yet billed related to partner referral fees, subscription fees for Plus merchants, shipping charges and transaction fees as of the condensed consolidated balance sheet dates.

The allowance for credit losses reflects the Company's best estimate of probable losses inherent in the 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 for the three and nine months ended:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Balance, beginning of the period	21	16	17	16
Provision for credit losses related to uncollectible receivables	13	7	26	21
Write-offs	(6)	(6)	(15)	(20)
Balance, end of the period	28	17	28	17

6. Loans and Merchant Cash Advances

	September 30, 2026	December 31, 2025
	(in US $ millions)	
Loans receivable, gross[1]	2,226	1,621
Merchant cash advances receivable, gross	370	358
Allowance for credit losses related to uncollectible loans and merchant cash advances receivable	(246)	(195)
Loans and merchant cash advances, net	2,350	1,784

[1] Included in the loans receivable gross balance as of September 30, 2026 is $35 million of interest receivable (December 31, 2025 - $24 million).

Certain loans and merchant cash advances are facilitated by the Company and originated by a bank partner, from whom the Company then purchases the loans and merchant cash advances obtaining all rights, title and interest or discount. In the three and nine months ended September 30, 2026, the Company purchased $1.5 billion and $4.3 billion, respectively, of loans and merchant cash advances to Shopify merchants (September 30, 2025 - $1.0 billion and $2.8 billion).

In the three and nine months ended September 30, 2026, the Company recognized revenue of $96 million and $271 million, respectively, related to interest and fees earned on the Company's loans, which

do not represent revenues recognized in the scope of ASC 606, Revenue from Contracts with Customers (September 30, 2025 - $66 million and $185 million).

The following table summarizes the activities of the Company's allowance for credit losses related to uncollectible loans and merchant cash advances receivable for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Allowance, beginning of the period	242	169	195	141
Provision for credit losses related to uncollectible loans and merchant cash advances receivable	63	49	217	137
Loans and merchant cash advances receivable charged off, net of recoveries	(59)	(41)	(166)	(101)
Allowance, end of the period	246	177	246	177

The following table presents the delinquency status of the gross amount of loans and merchant cash advances by year of origination. The delinquency status is determined based on the number of days past the contractual or expected repayment date for which the Company anticipates to receive the amounts outstanding. The "current" category represents balances that are anticipated to be repaid within 29 days of the contractual repayment dates, or are anticipated to be repaid within 29 days of the expected repayment date.

	September 30, 2026				
	Year of origination				
	2026	2025	2024	Total	Percent
	(in US $ millions)				
Current	2,251	113	—	2,364	91.1 %
30-89 Days	26	12	—	38	1.5 %
90-179 Days	19	17	1	37	1.4 %
180+ Days	80	68	9	157	6.0 %
Total	2,376	210	10	2,596	100.0 %

	December 31, 2025			
	Year of origination			
	2025	2024	Total	Percent
	(in US $ millions)			
Current	1,803	19	1,822	92.0 %
30-89 Days	16	6	22	1.1 %
90-179 Days	16	7	23	1.2 %
180+ Days	77	35	112	5.7 %
Total	1,912	67	1,979	100.0 %

The Company maintains an internal monitoring list related to its outstanding loans. A merchant's ability and willingness to repay the loan and merchant cash advances outstanding under the program is analyzed for a variety of factors that include, but are not limited to current or expected age of the financing, merchant subscription or financing status, merchant gross merchandise volume trends and other changes to merchant credit profiles.

7. Deferred Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Balance, beginning of the period	414	421	398	430
Deferral of revenue[1]	137	122	227	211
Recognition of deferred revenue from beginning balance	(137)	(133)	(211)	(231)
Balance, end of the period	414	410	414	410

[1] Deferral of revenue includes only the portion of collections from merchant billings throughout the period, primarily related to subscription fees, for which the services have not yet been provided. The amounts primarily exclude subscription revenue that has both been deferred and recognized within the period presented.

	September 30, 2026	September 30, 2025
	(in US $ millions)	
Current portion	345	300
Long-term portion	69	110
	414	410

The opening balances of current and long-term deferred revenue were $283 million and $147 million, respectively, as of January 1, 2025.

As of September 30, 2026, the long-term deferred revenue, excluding non-cash consideration received, will be recognized ratably over the remaining terms of the contracts with the customers, which range from two years to three years.

The Company has received non-cash consideration in the form of equity investments in exchange for services to be rendered as part of strategic partnerships. As the Company is required to provide referral services and other services to support the partners' merchant offerings over the period of the performance obligations, revenue is deferred and recognized over time on a ratable basis over the expected terms of the contracts.

The table below summarizes the gross changes in deferred revenue associated with this non-cash consideration received for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Balance, beginning of the period	124	165	141	190
Non-cash consideration received in exchange for services	—	—	8	—
Revenue recognized related to non-cash consideration	(13)	(12)	(38)	(37)
Balance, end of the period	111	153	111	153
Current portion			47	49
Long-term portion			64	104
			111	153

The Company will recognize this revenue ratably over the remaining terms of the respective strategic partnership service agreements, which range from one year to three years.

8. Credit Facility

The Company has entered into a revolving credit facility with Royal Bank of Canada for $100 million. The credit facility bears interest at the Royal Bank US Base Rate plus a spread on drawn amounts. As of September 30, 2026 the effective rate was 7.50% and no cash amounts were drawn under this credit facility.

9. Contingencies

Litigation and Loss Contingencies

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, labor and employment claims and threatened claims, breach of contract claims, tax and other matters.

The Company records accruals for loss contingencies when losses are probable and reasonably estimable. 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, condensed consolidated financial position, results of operations or cash flows.

10. Related Parties

The Company has a commercial agreement with Flexport, a company in which it has an equity method investment. The Company is entitled to earn a share of revenues for orders processed or otherwise sent through services provided by Shopify, subject to certain financial conditions. In the three and nine months ended September 30, 2026, as certain financial conditions were not met, the Company recognized nil revenue related to this agreement. The Company has a separate agreement with Flexport to provide co-marketing services for the coordinated marketing of fulfillment-related products and services to current and prospective merchants. In the three and nine months ended September 30, 2026, the Company recognized $3 million and $9 million of expense in the condensed consolidated statements of operations and comprehensive income (September 30, 2025 - $2 million and $6 million), respectively, and as of September 30, 2026, $9 million in "Other current assets" and $9 million in "Other long-term assets" in the condensed consolidated balance sheets are related to this agreement.

The Company also has an investment in Flexport in the form of convertible notes with a fair value of $351 million as of September 30, 2026 (December 31, 2025 - $326 million). The Company has elected to account for it using the fair value option for the investment, which is classified within "Equity and other investments" in the condensed consolidated balance sheets. In the three and nine months ended September 30, 2026, the Company has recognized $10 million and $29 million of interest income related to the convertible notes within "Interest income" (September 30, 2025 - $9 million and $26 million), and an immaterial amount of unrealized gains in the condensed consolidated statements of operations and comprehensive income.

11. Shareholders' Equity

Stock-Based Compensation

As of September 30, 2026, there were 531,772,589 shares reserved for issuance under the Company's Third Amended and Restated Stock Option Plan ("SOP") and the Third Amended and Restated Long Term Incentive Plan ("LTIP").

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, 2026:

	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
	(in US $ millions, except share and share price amounts)						
December 31, 2025	**10,200,678**	**80.03**	**7.22**	**826**	**—**	**3,486,886**	**110.16**
Stock options granted	3,055,469	115.96			53.60		
Stock options exercised	(687,079)	35.09					
Stock options forfeited	(747,307)	82.08					
RSUs granted						4,306,245	120.47
RSUs settled						(2,937,355)	112.63
RSUs forfeited						(510,825)	105.96
September 30, 2026	**11,821,761**	**91.80**	**7.27**	**304**	**—**	**4,344,951**	**119.20**
Stock options exercisable as of September 30, 2026	5,369,082	79.69	5.81	216			

[1] As of September 30, 2026, 11,815,800 of the outstanding stock options were granted under the Company's SOP and are exercisable for Class A subordinate voting shares and 5,961 of the outstanding stock options were granted under the Deliverr 2017 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, 2026 and December 31, 2025.

As of September 30, 2026, the Company had issued 6,168 deferred share units ("DSUs") under its LTIP.

In connection with the acquisition of Vantage Discovery Inc. in the first quarter of 2025, 252,257 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 of September 30, 2026, 157,663 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 stock-compensation expense:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Cost of revenues	1	1	4	3
Sales and marketing	12	12	31	35
Research and development	99	73	282	232
General and administrative	28	21	83	64
	140	107	400	334

Share Repurchase Program

In the first quarter of 2026, the Company's Board of Directors authorized a share repurchase program of up to $2 billion of the Company's outstanding Class A subordinate voting shares. The share repurchase program went into effect on February 17, 2026, has no fixed expiration date, and may be amended, suspended, or discontinued at any time, subject to applicable laws.

In the second quarter of 2026, the Company's Board of Directors authorized an additional $3 billion of the Company's outstanding Class A subordinate voting shares, in addition to the $2 billion previously authorized, bringing its aggregate share repurchase authorization to $5 billion.

Repurchases may be made through open-market purchases on the Nasdaq, privately negotiated transactions including block trades, or other means, in each case in compliance with applicable securities laws. The timing, number, and value of any Class A subordinate voting shares repurchased will depend on a variety of factors, including price, general business and market conditions, applicable legal requirements, and alternative investment opportunities. In accordance with applicable securities laws, the maximum number of Class A subordinate voting shares repurchased will not exceed 5% of Shopify's issued and outstanding Class A subordinate voting shares.

The following table summarizes repurchase activity under our share repurchase program for the nine months ended September 30, 2026:

	Shares Repurchased[1]	Average Price per Share[2]	Value of Shares Repurchased[2]	Remaining Amount Authorized
	(in US $ millions, except share and share price amounts)			
Balance, beginning of the period				$ —
Authorization of share repurchases in the first quarter of 2026				2,000
Authorization of additional share repurchases in the second quarter of 2026				3,000
Repurchase of shares of Class A subordinate voting shares	21,145,824	$ 117.09	2,476	(2,476)
Balance, end of the period				$ 2,524

[1] These repurchased shares of Class A subordinate voting shares were recognized within "Common stock".

[2] Excludes immaterial broker commissions and excise tax accruals.

12. Changes in Accumulated Other Comprehensive (Loss) Income

The following table summarizes the changes in accumulated other comprehensive (loss) income, which is reported as a component of shareholders' equity:

	Nine months ended September 30,	
	2026	2025
	(in US $ millions)	
Balance, beginning of the period	1	(10)
Other comprehensive (loss) income before reclassifications	(11)	6
Gain on cash flow hedges reclassified from accumulated other comprehensive loss to earnings:		
Sales and marketing	—	1
Research and development	2	4
General and administrative	—	1
Tax effect on unrealized (loss) gain on cash flow hedges	2	(3)
Other comprehensive (loss) income, net of tax	(7)	9
Balance, end of the period	(6)	(1)

13. Income Taxes

The Company's provision for income taxes is determined by applying the estimated annual effective tax rate to income or loss from recurring operations and adjusting for 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 is expected to change. 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, any valuation allowance 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.

The Company had a provision for income taxes of $37 million in the three months ended September 30, 2026, as a result of earnings in various jurisdictions, largely offset by the release of valuation allowance against a portion of its U.S. federal and state deferred income tax assets and unrealized loss on equity and other investments.

The Company had a provision for income taxes of $257 million in the nine months ended September 30, 2026, as a result of earnings in various jurisdictions, partially offset by the release of valuation allowance against a portion of its U.S. federal and state deferred income tax assets.

Valuation allowance

At each reporting date, the Company assesses whether its deferred tax assets are more likely than not to be realized, weighing all available positive and negative evidence. During the three months ended September 30, 2026, the Company concluded that a portion of its U.S. federal and state deferred tax assets is now more likely than not to be realized. The main positive evidence was sustained profits of its U.S. operations and projections of future taxable income. As a result, the Company released $63 million of valuation allowance as a discrete tax benefit in the period.

The Company continues to maintain a valuation allowance against the net deferred tax assets in the United States that are capital in nature, due to lack of positive evidence to meet the more-likely-than-not standard for recognition.

The Company had a provision for income taxes of $44 million and $129 million in the three and nine months ended September 30, 2025, respectively, as a result of earnings in various jurisdictions, partially offset by unrealized loss on equity and other investments.

Tax examinations and uncertain tax positions

The Company continues to be subject to review and audit by tax authorities around the world, which may lead to adjustments to our tax liabilities. In 2025, we received a proposed assessment from the Canada Revenue Agency ("CRA") related to the Company's transfer pricing for the year ending December 31, 2020. During the three months ended September 30, 2026, the CRA notified us that they intend to reassess us for additional income taxes of $24 million, plus interest for the year ending December 31, 2020 based on the proposed assessment received in 2025. The Company's 2021 to 2026 tax years remain open to examination. If the CRA reassesses us under the same basis for those years, the Company could be subject to additional income taxes that may be material. We disagree with the proposed assessment and intend to defend our position vigorously.

The Company has evaluated this matter under its accounting policy for uncertain tax positions and has not recorded a liability as it believes it is more likely that the Company's position will be sustained. While we believe that our tax position is appropriate, the final determination and timing of resolution of the above matter, and any other tax audits or litigation cannot be predicted with certainty. We continue to monitor the progress of tax audits with tax authorities each reporting period. Changes in recognition or measurement are recorded in the period in which new information becomes available.

14. Net Income per Share

The Company applies the two-class method to calculate its basic and diluted net income per share as Class A subordinate voting shares and Class B restricted voting shares are participating securities with equal participation rights and are entitled to receive dividends on a share for share basis. The Company uses the treasury stock method for calculating the effect of dilutive potential common stock from employee stock options and employee RSUs.

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 September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions, except share and per share amounts)			
Numerator:				
Net income	462	264	1,383	488
Denominator:				
Basic weighted average number of shares outstanding	1,286,866,079	1,300,069,685	1,295,087,677	1,297,764,857
Weighted average effect of dilutive securities:				
Stock options	1,133,553	4,369,596	2,599,106	3,972,952
Restricted share units	2,725,124	2,043,057	929,289	1,893,677
Convertible senior notes	—	6,388,480	—	6,388,480
Deferred share units	1,986	1,891	1,872	8,941
Diluted weighted average number of shares	1,290,726,742	1,312,872,709	1,298,617,944	1,310,028,907
Net income per share:				
Basic	$ 0.36	$ 0.20	$ 1.07	$ 0.38
Diluted	$ 0.36	$ 0.20	$ 1.06	$ 0.37
Common stock equivalents excluded from net income per diluted share because they are anti-dilutive:				
Stock options	1,005,445	512,241	1,054,385	125,584
Restricted share units	71,640	15,859	346,921	210,797
Deferred share units	449	—	624	365
	1,077,534	528,100	1,401,930	336,746

15. Segment and Geographical Information

The Company's chief operating decision maker ("CODM") is its Chief Executive Officer. The CODM has determined that the Company operates in one single operating and reportable segment and manages segment performance and resource allocation based upon consolidated net income. The CODM uses consolidated net income in deciding whether to reinvest profits into opportunities for the business, invest in business combinations or equity investments or return a portion of such profits to shareholders. The measure of segment assets is reported on the condensed consolidated balance sheets as total consolidated assets. Significant expenses reviewed by the CODM include those that are presented in the condensed consolidated statements of operations and comprehensive income.

The following table presents total external revenues by geographic location, based on the location of the Company's merchants:

	Three months ended September 30,				Nine months ended September 30,			
	2026		2025		2026		2025	
	(in US $ millions, except percentages)							
North America								
United States	2,373	63 %	1,783	63 %	6,657	63 %	4,986	63 %
Canada	172	5 %	138	5 %	490	5 %	390	5 %
Europe	766	20 %	592	20 %	2,140	20 %	1,585	20 %
APAC	362	10 %	282	10 %	1,020	10 %	787	10 %
Rest of World	69	2 %	49	2 %	188	2 %	136	2 %
Total Revenue	3,742	100 %	2,844	100 %	10,495	100 %	7,884	100 %

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Management's Discussion and Analysis of Financial Condition and Results of Operations ("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 present Shopify's results of operations and cash flows for the three and nine months ended September 30, 2026 and 2025, and our financial position as of September 30, 2026. You should read this MD&A in conjunction with the unaudited condensed consolidated financial statements and the accompanying notes thereto in Part I - Item 1 of this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in the Company's 2025 Form 10-K.

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 period with the same period 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, including those discussed under Part II — Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q and in our 2025 Form 10-K. Forward-looking statements are intended to assist readers in understanding management's expectations as of the date of this Quarterly Report on Form 10-Q, including this MD&A, and may not be suitable for other purposes. See "Forward-looking Statements" in this Quarterly Report on Form 10-Q.

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.

Business Overview

We believe we can help merchants of all verticals and sizes, from aspirational entrepreneurs to companies with large-scale, direct-to-consumer or business to business ("B2B") operations, or both, realize their potential at all stages of their business life cycle. In the nine months ended September 30, 2026, our platform facilitated gross merchandise volume ("GMV") of $335.5 billion, representing an increase of 32% from the nine months ended September 30, 2025. A detailed description of this metric is presented below in the section entitled, "Key Performance Indicators".

During the nine months ended September 30, 2026, our total revenue was $10.5 billion, an increase of 33% versus the nine months ended September 30, 2025. Our business model has two revenue components: 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, 2026, subscription solutions revenues accounted for 23% of our total revenues (September 30, 2025 - 25%). We offer a range of plans that increase in price depending on additional features and economic considerations. 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 Audiences, incremental B2B functionality and Launchpad, for ecommerce automation. Aldo, BarkBox, Carrier, Meta, Vuori, SKIMS and Supreme are a few of our notable 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 POS Pro offering, the sale of apps, the sale of themes and the registration of domain names. Subscription solutions revenues

increased from $2.0 billion in the nine months ended September 30, 2025 to $2.4 billion in the nine months ended September 30, 2026, representing an increase of 21%. 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 Monthly Recurring Revenue ("MRR") is most closely correlated with the long-term value of our merchant relationships. As of September 30, 2026, MRR totaled $230 million, representing an increase of 19% relative to MRR at September 30, 2025. 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 by passing on our economies of scale and augmenting our subscription solutions. During the nine months ended September 30, 2026, merchant solutions revenues accounted for 77% of total revenues (September 30, 2025 - 75%). We principally generate merchant solutions revenues from payment processing fees and currency conversion fees from Shopify Payments. Shopify Payments is a fully integrated payment solution. In addition to payment processing fees and currency conversion fees from Shopify Payments, we also generate merchant solutions revenue from our lending services and financial products, referral fees from partners, the sale of shipping labels, the sale of POS hardware, advertising on the Shopify App Store and Shop Campaigns, our buyer acquisition offering. The majority of our merchant solutions revenues are directionally correlated with the level of GMV that our merchants process through our platform. Merchant solutions revenues increased from $5.9 billion in the nine months ended September 30, 2025 to $8.1 billion in the nine months ended September 30, 2026, representing an increase of 37%.

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 depends on many factors, including our ability to expand our merchant base; localize features for specific geographies; retain merchants as they grow their businesses on our platform and adopt more features; offer more sales channels that connect merchants with potential customers; develop new solutions to extend our platform's functionality and catalyze merchants' sales growth; leverage emerging technologies, including AI; 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. We also maintain a portfolio of investments with varying time horizons in our cash management program.

Key Performance Indicators

Our 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 are MRR and 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, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Monthly Recurring Revenue	230	193	230	193
Gross Merchandise Volume	119,145	92,013	335,455	254,600

Monthly Recurring Revenue

MRR is the aggregate value of all subscription plans, excluding variable platform fees, in effect on the last day of the period, assuming merchants maintain their subscription the following month. Subscription plans to both our platform and our POS Pro offering are included in this calculation. When applicable, MRR relating to subscription plans billed in a merchant's local currency is converted to USD using the respective currency exchange rate as of the period end date. Prospective merchants that have joined the platform through special new merchant trial incentives, including paid trials, are included in MRR at their trial price while merchants on free trials are excluded from the calculation of MRR 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 consider the factors that contribute to MRR, specifically the number of paying merchants using our platform, the number of merchants that are on full-price plans or paid trials, the mix of subscription plan types and overall pricing of our subscription plans. 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 $230 million of MRR as of September 30, 2026 compared to $193 million as of September 30, 2025.

In the three months ended September 30, 2026, the MRR growth rate for the period was consistent with the same period in 2025.

In the nine months ended September 30, 2026, the MRR growth rate for the period was higher than the same period in 2025 driven by the prior year impact of extending the length of paid trials.

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, 2026 we facilitated GMV of $119.1 billion and $335.5 billion, respectively, (September 30, 2025 - $92.0 billion and $254.6 billion), representing year-over-year growth of 29% on a quarterly basis and 32% on a year-to-date basis (2025 vs 2024 - 32% and 29%). On a constant currency basis, in which GMV in the three and nine months ended September 30, 2026 is converted using the comparative period's monthly average exchange rates, year-over-year growth was 30% and 30% (2025 vs 2024 - 30% and 28%).

Factors Affecting the Comparability of Our Results

Change in Revenue Mix

As a result of the continued growth of Shopify Payments and select other products in merchant solutions, our revenues from merchant solutions in recent periods have grown faster than subscription solutions. 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 Shopify Payments as beneficial to our operating margins, as it requires significantly less sales and marketing and research and development expenses than Shopify's subscription business. The lower margins on merchant solutions compared to subscription solutions means that the continued growth of merchant solutions has caused in the past, and may cause in the future, 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 continued growth has partially 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.

Foreign Currency Fluctuations

While the majority of our revenues, cost of revenues and operating expenses are denominated in USD, a significant portion are denominated in foreign currencies. Due to offering Shopify Payments, Shopify Capital, subscriptions and other billings to select countries in local currency, a significant proportion of revenue transactions are denominated in EUR, GBP and CAD. A significant proportion of operating expenses are also incurred and expected to be included in the aforementioned foreign currencies. To help mitigate the impacts associated with foreign currency fluctuations on future cash flows from operating expenses, we maintain a portfolio of foreign exchange forward contracts and options designated as hedging instruments. As our operations continue to expand internationally, we may be exposed to additional fluctuations in other foreign currencies. Refer to Part I — Item 3 "Quantitative and Qualitative Disclosures About Market Risk" in this Quarterly Report on Form 10-Q for additional information on the effect on reported results of changes in foreign exchange rates.

Key Components of Results of Operations

See Part II — Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our 2025 Form 10-K for details on the key components of results of operations. There have been no material changes to our key components of results of operations during the nine months ended September 30, 2026, as compared to those described in our 2025 Form 10-K.

Quarterly Results of Operations

The following table sets forth a summary of our condensed consolidated statements of operations for the three and nine months ended September 30, 2026 and 2025:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions, except share and per share amounts)			
Revenues				
Subscription solutions	836	699	2,388	1,975
Merchant solutions	2,906	2,145	8,107	5,909
	3,742	**2,844**	**10,495**	**7,884**
Cost of revenues[1][2]				
Subscription solutions	175	128	486	372
Merchant solutions	1,786	1,325	4,974	3,650
	1,961	1,453	5,460	4,022
Gross profit	1,781	1,391	5,035	3,862
Operating expenses				
Sales and marketing[1]	466	410	1,460	1,230
Research and development[1][2]	497	375	1,379	1,146
General and administrative[1]	130	115	381	346
Transaction and loan losses	120	148	377	303
Total operating expenses	1,213	1,048	3,597	3,025
Income from operations	**568**	**343**	**1,438**	**837**
Net (loss) gain on equity and equity method investments[3]	(138)	(112)	8	(498)
Other income, net	69	77	194	278
Income before income taxes	499	308	1,640	617
Provision for income taxes	(37)	(44)	(257)	(129)
Net income	**462**	**264**	**1,383**	**488**
Net income per share attributable to shareholders:				
Basic	$ 0.36	$ 0.20	$ 1.07	$ 0.38
Diluted	$ 0.36	$ 0.20	$ 1.06	$ 0.37
Weighted average shares used to compute net income per share attributable to shareholders:				
Basic	1,286,866,079	1,300,069,685	1,295,087,677	1,297,764,857
Diluted	1,290,726,742	1,312,872,709	1,298,617,944	1,310,028,907

[1] Includes stock-based compensation expense and related payroll taxes as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Cost of revenues	1	1	4	3
Sales and marketing	13	13	33	38
Research and development	104	78	295	247
General and administrative	29	24	86	71
	147	116	418	359

(2) Includes amortization of acquired intangibles as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
	(in US $ millions)			
Cost of revenues	2	2	6	6
Research and development	—	1	1	3
	2	3	7	9

(3) Includes the impact of any gains and losses on the embedded derivative on our Notes that matured on November 1, 2025.

Revenues

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Revenues						
Subscription solutions	836	699	20 %	2,388	1,975	21 %
Merchant solutions	2,906	2,145	35 %	8,107	5,909	37 %
Total revenues	3,742	2,844	32 %	10,495	7,884	33 %
Percentage of revenues						
Subscription solutions	22 %	25 %		23 %	25 %	
Merchant solutions	78 %	75 %		77 %	75 %	
Total revenues	100 %	100 %		100 %	100 %	

Subscription Solutions

Subscription solutions revenues increased for the three months ended September 30, 2026 compared to the same period in 2025. The largest component of the period-over-period change was an increase in subscription fees of $125 million driven by an increase in MRR, which was a result of a higher number of merchants using our platform and by a larger percentage of subscriptions coming from higher priced plans, such as Plus. The increase was also driven by higher GMV resulting in an increase in subscription fees from the variable component of certain subscription contracts.

Subscription solutions revenues increased for the nine months ended September 30, 2026 compared to the same period in 2025. The largest component of the period-over-period change was an increase in subscription fees of $355 million driven by an increase in MRR, which was a result of a higher number of merchants using our platform and by a larger percentage of subscriptions coming from higher priced plans, such as Plus. The increase was also driven by higher GMV resulting in an increase in subscription fees from the variable component of certain subscription contracts.

Merchant Solutions

Merchant solutions revenues increased for the three months ended September 30, 2026 compared to the same period in 2025. The largest component of the period-over-period change was an increase in Shopify Payments revenue of $619 million, relating to payment processing and currency conversion fees, growing in the three months ended September 30, 2026 compared to the same period in 2025. This increase was a result of an increase in our Shopify Payments penetration rate and an increase in GMV from merchants using our platform. These factors drove $21.3 billion of additional GMV facilitated using Shopify Payments in the three months ended September 30, 2026 compared to the same period in 2025, representing growth of 35%. For the three months ended September 30, 2026, the Shopify Payments penetration rate was 68%, resulting in GMV of $81.4 billion that was facilitated using Shopify Payments. This compares to a penetration rate of 65% resulting in GMV of $60.2 billion that was facilitated using Shopify Payments in the same period in 2025.

Merchant solutions revenues increased for the nine months ended September 30, 2026 compared to the same period in 2025. The largest component of the period-over-period change was an increase in Shopify Payments revenue of $1.8 billion, relating to payment processing and currency conversion fees, growing in the nine months ended September 30, 2026 compared to the same period in 2025. This increase was a result of an increase in our Shopify Payments penetration rate and an increase in GMV from our merchants using our platform. These factors drove $62.2 billion of additional GMV facilitated using Shopify Payments in the nine months ended September 30, 2026 compared to the same period in 2025, representing growth of 38%. For the nine months ended September 30, 2026, the Shopify Payments penetration rate was 68%, resulting in GMV of $226.5 billion that was facilitated using Shopify Payments. This compares to a penetration rate of 65% resulting in GMV of $164.3 billion that was facilitated using Shopify Payments in the same period in 2025.

Cost of Revenues

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Cost of revenues:						
Cost of subscription solutions	175	128	37 %	486	372	31 %
Cost of merchant solutions	1,786	1,325	35 %	4,974	3,650	36 %
Total cost of revenues	1,961	1,453	35 %	5,460	4,022	36 %
Percentage of revenues:						
Cost of subscription solutions	5 %	5 %		5 %	5 %	
Cost of merchant solutions	48 %	47 %		47 %	46 %	
Total cost of revenues	52 %	51 %		52 %	51 %	

Cost of Subscription Solutions

Cost of subscription solutions increased for the three months ended September 30, 2026 compared to the same period in 2025. The increase was driven by a $40 million increase in our infrastructure costs, including cloud hosting platforms, infrastructure software and LLM usage costs. Cloud hosting and infrastructure costs remain the significant majority of our cost of subscription solutions.

Cost of subscription solutions increased for the nine months ended September 30, 2026 compared to the same period in 2025. The increase was driven by a $99 million increase in our infrastructure costs including cloud hosting platforms, infrastructure software and LLM usage costs. Cloud hosting and infrastructure costs remain the significant majority of our cost of subscription solutions.

Cost of Merchant Solutions

Cost of merchant solutions increased for the three months ended September 30, 2026 compared to the same period in 2025. The increase was driven by higher payment processing fees resulting from an increase in GMV facilitated through Shopify Payments.

Cost of merchant solutions increased for the nine months ended September 30, 2026 compared to the same period in 2025. The increase was driven by higher payment processing fees resulting from an increase in GMV facilitated through Shopify Payments.

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Gross profit	1,781	1,391	28 %	5,035	3,862	30 %
Percentage of total revenues	48 %	49 %		48 %	49 %	

Operating Expenses

Sales and Marketing

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Sales and marketing	466	410	14 %	1,460	1,230	19 %
Percentage of total revenues	12 %	14 %		14 %	16 %	

Sales and marketing expenses increased for the three months ended September 30, 2026 compared to the same period in 2025, due to increases of $26 million in overall marketing program spend and $21 million in payouts related to our affiliate partner programs.

Sales and marketing expenses increased for the nine months ended September 30, 2026 compared to the same period in 2025, due to increases of $173 million in overall marketing program spend and $47 million in payouts related to our affiliate partner programs.

Research and Development

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Research and development	497	375	33 %	1,379	1,146	20 %
Percentage of total revenues	13 %	13 %		13 %	15 %	

Research and development expenses increased for the three months ended September 30, 2026 compared to the same period in 2025, due to increases of $62 million in employee-related costs including timing of product development events and $40 million in computer hardware and software costs, which includes AI-related usage.

Research and development expenses increased for the nine months ended September 30, 2026 compared to the same period in 2025, due to increases of $109 million in employee-related costs including timing of product development events and $99 million in computer hardware and software costs, which includes AI-related usage.

General and Administrative

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
General and administrative	130	115	13 %	381	346	10 %
Percentage of total revenues	3 %	4 %		4 %	4 %	

General and administrative expenses increased for the three months ended September 30, 2026 compared to the same period in 2025, due to increases of $9 million in employee-related costs and $8 million in indirect taxes.

General and administrative expenses increased for the nine months ended September 30, 2026 compared to the same period in 2025, due to increases of $31 million in indirect taxes and $19 million in employee-related costs, offset by a $13 million decrease due to prior year impairment related costs associated with right-of-use assets and leasehold improvements.

Transaction and Loan Losses

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Transaction and loan losses	120	148	(19)%	377	303	24 %
Percentage of total revenues	3 %	5 %		4 %	4 %	

Transaction and loan losses decreased for the three months ended September 30, 2026 compared to the same period in 2025, due to a $41 million decrease in losses related to Shopify Payments driven by lower realized losses in the period which were offset by higher GMV processed through Shopify Payments relative to the same period in 2025. The decrease was offset by a $14 million increase in losses related to lending services driven by an expansion of our offerings and programs relative to the same period in 2025.

Transaction and loan losses increased for the nine months ended September 30, 2026 compared to the same period in 2025, due to increases of $83 million in losses related to lending services driven by an expansion of our offerings and programs relative to the same period in 2025. The increase was offset by a decrease of $12 million in losses related to Shopify Payments driven by lower realized losses in the period which were offset by higher GMV processed through Shopify Payments relative to the same period in 2025.

Net (Loss) Gain on Equity and Equity Method Investments

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Net (loss) gain on equity and equity method investments	(138)	(112)	23%	8	(498)	*

*Not a meaningful comparison

In the three months ended September 30, 2026, we had a net loss on equity and other investments of $127 million, which included a $126 million unrealized loss in investments with readily determinable fair values which was primarily the result of the change in share prices from June 30, 2026 to September 30, 2026. Additionally, the Company had a net loss of $21 million on our equity method investment.

In the three months ended September 30, 2025, we had a net loss on equity and other investments of $62 million, which included a $75 million unrealized loss in an investment option, offset by a $28 million unrealized gain in investments with readily determinable fair values which was the result of the change in share prices from June 30, 2025 to September 30, 2025. Additionally, we had an unrealized loss of $29 million on the embedded derivative held prior to the settlement of the Notes and a net loss of $21 million on our equity method investment.

In the nine months ended September 30, 2026, we had a net gain on equity and other investments of $58 million which included $530 million in gross unrealized gains driven by an observable price change of a private investment, offset by a $404 million unrealized loss in investments with readily determinable fair values which was the result of the net change in share prices from December 31, 2025 to September 30, 2026, and a $65 million unrealized loss in an investment option. Additionally, we had a net loss of $64 million on our equity method investment.

In the nine months ended September 30, 2025, we had a net loss on equity and other investments of $402 million, which included a $400 million unrealized loss in investments with readily determinable fair values which was the result of the change in share prices from December 31, 2024 to September 30, 2025 and a $147 million unrealized loss in an investment option, offset by $165 million unrealized gain on investments without readily determinable fair values which was the result of an observable price change. Additionally, we had a net loss of $68 million on our equity method investment and an unrealized loss of $29 million on the embedded derivative held prior to the settlement of the Notes.

Other Income, Net

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Other income, net	69	77	(10)%	194	278	(30)%

In the three months ended September 30, 2026, other income, net was driven by interest income of $65 million recognized on marketable securities compared to interest income of $81 million recognized on marketable securities for the same period in 2025 and net gain on foreign exchange of $4 million compared to $4 million net loss on foreign exchange for the same period in 2025.

In the nine months ended September 30, 2026, other income, net was driven by interest income of $206 million recognized on marketable securities compared to interest income of $252 million recognized on marketable securities for the same period in 2025 and net loss on foreign exchange of $12 million compared to $26 million net gain on foreign exchange for the same period in 2025.

Provision for Income Taxes

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	% Change	2026	2025	% Change
	(in US $ millions, except percentages)					
Provision for income taxes	(37)	(44)	(16)%	(257)	(129)	99%

We had a provision for income taxes of $37 million in the three months ended September 30, 2026, compared to provision for income taxes of $44 million in the same period in 2025, as a result of a release of valuation allowance against a portion of its U.S. federal and state deferred income tax assets and unrealized loss on equity and other investments during the three months ended September 30, 2026, largely offset by earnings in various jurisdictions.

We had a provision for income taxes of $257 million in the nine months ended September 30, 2026, compared to provision of $129 million in the same period in 2025, as a result of unrealized loss on equity and other investments during the nine months ended September 30, 2025 and earnings in various jurisdictions, partially offset by the release of valuation allowance against a portion of its U.S. federal and state deferred income tax assets in the nine months ended September 30, 2026.

At each reporting date, the Company assesses whether its deferred tax assets are more likely than not to be realized, weighing all available positive and negative evidence. During the three months ended September 30, 2026, the Company concluded that a portion of its U.S. federal and state deferred tax assets is now more likely than not to be realized. The main positive evidence was sustained profits of its U.S. operations and projections of future taxable income. As a result, the Company released $63 million of valuation allowance as a discrete tax benefit in the period.

The Company continues to maintain a valuation allowance against the net deferred tax assets in the United States that are capital in nature, due to lack of positive evidence to meet the more-likely-than-not standard for recognition.

Summary of Quarterly Results

The following table sets forth selected quarterly results of operations data for each of the eight quarters ended September 30, 2026. 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 statement 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 periods.

	Three months ended							
	Sep 30, 2026	**Jun 30, 2026**	**Mar 31, 2026**	**Dec 31, 2025**	**Sep 30, 2025**	**Jun 30, 2025**	**Mar 31, 2025**	**Dec 31, 2024**
	(in US $ millions, except per share amounts)							
Revenues								
Subscription solutions	836	802	750	777	699	656	620	666
Merchant solutions	2,906	2,781	2,420	2,895	2,145	2,024	1,740	2,146
	3,742	**3,583**	**3,170**	**3,672**	**2,844**	**2,680**	**2,360**	**2,812**
Cost of revenues[1][2]								
Subscription solutions	175	163	148	148	128	121	123	134
Merchant solutions	1,786	1,712	1,476	1,831	1,325	1,257	1,068	1,326
	1,961	1,875	1,624	1,979	1,453	1,378	1,191	1,460
Gross profit	**1,781**	**1,708**	**1,546**	**1,693**	**1,391**	**1,302**	**1,169**	**1,352**
Operating expenses								
Sales and marketing[1][2]	466	498	496	433	410	415	405	348
Research and development[1][2]	497	445	437	390	375	394	377	351
General and administrative[1][3]	130	136	115	125	115	122	109	112
Transaction and loan losses	120	141	116	114	148	80	75	76
Total operating expenses	1,213	1,220	1,164	1,062	1,048	1,011	966	887
Income from operations	**568**	**488**	**382**	**631**	**343**	**291**	**203**	**465**
Net (loss) gain on equity and equity method investments[4]	(138)	1,228	(1,082)	182	(112)	658	(1,044)	906
Other income, net	69	59	66	79	77	130	71	50
Income (loss) before income taxes	499	1,775	(634)	892	308	1,079	(770)	1,421
(Provision for) recovery of income taxes	(37)	(273)	53	(149)	(44)	(173)	88	(128)
Net income (loss)	**462**	**1,502**	**(581)**	**743**	**264**	**906**	**(682)**	**1,293**
Net income (loss) per share attributable to shareholders:								
Basic	$ 0.36	$ 1.16	$ (0.45)	$ 0.57	$ 0.20	$ 0.70	$ (0.53)	$ 1.00
Diluted	$ 0.36	$ 1.16	$ (0.45)	$ 0.57	$ 0.20	$ 0.69	$ (0.53)	$ 0.99

In addition to disclosing financial results in accordance with GAAP, the table below provides supplementary non-GAAP financial measures for non-GAAP net income and diluted net income per share to consider in evaluating operating performance. These non-GAAP measures should not be viewed as a substitute for reported results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP measures that may be presented by other companies.

	Three Months Ended							
	Sep 30, 2026	**Jun 30, 2026**	**Mar 31, 2026**	**Dec 31, 2025**	**Sep 30, 2025**	**Jun 30, 2025**	**Mar 31, 2025**	**Dec 31, 2024**
GAAP net income (loss)	462	1,502	(581)	743	264	906	(682)	1,293
Non-GAAP adjustments to net income (loss):								
Non-GAAP operating income adjustments[1][2][3]	149	135	141	129	122	133	126	120
Net loss (gain) on equity and other investments	117	(1,250)	1,061	(248)	62	(682)	1,021	(928)
Net loss (gain) on equity method investment	21	22	21	(28)	21	24	23	22
Loss on embedded derivative[4]	—	—	—	94	29	—	—	—
Income tax effects and tax adjustments	(111)	140	(171)	(57)	(57)	74	(153)	68
Non-GAAP net income	638	549	471	633	441	455	335	575
Diluted net income (loss) per share attributable to shareholders*:								
GAAP	$ 0.36	$ 1.16	$ (0.45)	$ 0.57	$ 0.20	$ 0.69	$ (0.53)	$ 0.99
Non-GAAP	$ 0.49	$ 0.42	$ 0.36	$ 0.48	$ 0.34	$ 0.35	$ 0.25	$ 0.44

*may include rounding

[1] Includes stock-based compensation expense and related payroll taxes as follows:

	Three months ended							
	Sep 30, 2026	**Jun 30, 2026**	**Mar 31, 2026**	**Dec 31, 2025**	**Sep 30, 2025**	**Jun 30, 2025**	**Mar 31, 2025**	**Dec 31, 2024**
	(in US $ millions)							
Cost of revenues	1	2	1	1	1	1	1	—
Sales and marketing	13	9	11	10	13	12	13	13
Research and development	104	94	97	87	78	85	84	81
General and administrative	29	28	29	27	24	22	25	24
	147	133	138	125	116	120	123	118

(2) Includes amortization of acquired intangibles as follows:

	Three months ended							
	Sep 30, 2026	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
	(in US $ millions)							
Cost of revenues	2	2	2	3	2	2	2	1
Sales and marketing	—	—	—	—	—	—	—	1
Research and development	—	—	1	1	1	1	1	—
	2	2	3	4	3	3	3	2

(3) Includes impairment related costs associated with right-of-use assets and leasehold improvements of $3 million in the third quarter of 2025 and $10 million in the second quarter of 2025.

(4) Includes loss on embedded derivative held to settle the Notes, initially with a $29 million unrealized loss during the third quarter of 2025, which then resulted in a $123 million realized loss during the fourth quarter of 2025.

We believe that period-over-period 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 partially 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. As a result of the 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 quarter as consumers typically reduce their spending following the holiday season resulting in a seasonal decrease in GMV per merchant, which was not completely offset by Shopify Payments penetration 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 subscription solutions and merchant solutions revenues in our fourth quarters compared to other quarters. 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 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 order volumes facilitated during the holiday season and the resulting Shopify Payments revenue during this period. We expect this overall trend to continue over time.

In connection with expanding our operations internationally, we anticipate a growing proportion of our revenues and cost of sales transactions to be incurred in foreign currencies as compared to USD due to increased Shopify Payments, Shopify Capital, subscriptions and other billings in select countries in local currency. Fluctuations in foreign currencies relative to the USD may impact identified quarterly and yearly trends.

Quarterly Operating Expenses Trends

Excluding the items outlined in the tables above, operating expenses have increased in connection with revenue and operations growth. We note a significant portion of our operating expenses are incurred in foreign currencies which may impact the comparability of our quarterly and yearly trends.

Quarterly (Loss) Gain on Equity and Equity Method Investments and Other Income Trends

Historically, there have been no consistent trends associated with (loss) gain on equity and equity method investments and other income 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 our equity method investment based on our share of income and loss, including amortization of the basis difference, changes in the fair value of our investments in convertible notes of private companies, changes in the fair value of the embedded derivative previously held to settle the Notes, 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.

Liquidity and Capital Resources

We generate liquidity through operating cash flows and the proceeds from the exercise of stock options. Shopify maintains a short-form base shelf prospectus with the securities commissions in each of the provinces and territories of Canada, except Quebec. Concurrently with the filing of this Quarterly Report on Form 10-Q, we filed a new short-form base shelf prospectus with the Canadian securities regulators and a shelf registration statement on Form S-3 with the U.S. SEC. Once effective, the new shelf prospectus and registration statement will permit us to offer Class A subordinate voting shares, preferred shares, debt securities, warrants, subscription receipts, units, or any combination thereof, from time to time while the applicable shelf prospectus and registration statement remains effective. The type of securities and the specific terms thereof will be determined at the time of any offering and will be described in the applicable prospectus supplement to be filed separately with Canadian securities regulators and the SEC.

Our principal cash requirements are for working capital and ongoing operations. Excluding current deferred revenue, working capital as of September 30, 2026 was $6.5 billion. 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 and into the foreseeable future. Our future cash requirements will depend on many factors, including but not limited to 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 strategic investments 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.

In the first quarter of 2026, the Company's Board of Directors authorized a share repurchase program of up to $2 billion of the Company’s outstanding Class A subordinate voting shares. The share repurchase program went into effect on February 17, 2026, has no fixed expiration date, and may be amended, suspended, or discontinued at any time, subject to applicable laws.

In the second quarter of 2026, the Company's Board of Directors authorized an additional $3 billion of the Company's outstanding Class A subordinate voting shares, in addition to the $2 billion previously authorized, bringing its aggregate share repurchase authorization to $5 billion.

Repurchases may be made through open-market purchases on the Nasdaq, privately negotiated transactions including block trades, or other means, in each case in compliance with applicable securities laws. The timing, number, and value of any Class A subordinate voting shares repurchased will depend on a variety of factors, including price, general business and market conditions, applicable legal requirements, and alternative investment opportunities. In accordance with applicable securities laws, the maximum number of Class A subordinate voting shares repurchased will not exceed 5% of Shopify’s issued and outstanding Class A subordinate voting shares.

During the three months ended September 30, 2026, we repurchased $543 million of our Class A subordinate voting shares under our share repurchase program. As of September 30, 2026, a total of $2.5 billion remained available for future repurchases of our Class A subordinate voting shares. See "Note 11 - Shareholders' Equity" to the condensed consolidated financial statements included in this report for more information about our share repurchase program.

Cash, Cash Equivalents and Marketable Securities

Cash, cash equivalents and marketable securities decreased by $1.1 billion to $4.7 billion as of September 30, 2026 from $5.8 billion as of December 31, 2025, as a result of cash used in repurchases of Class A subordinate voting shares and the purchase and origination of loans and merchant cash advances, net of repayments, offset by cash provided by our operations and maturities of marketable securities, net of purchases. Cash equivalents and marketable securities include money market funds, term deposits, U.S. federal bonds and agency securities and corporate bonds and commercial paper, all maturing within 12 months from September 30, 2026.

The following table summarizes our total cash, cash equivalents and marketable securities as well as our operating, investing and financing activities for the nine months ended September 30, 2026 and 2025:

	Nine months ended September 30,	
	2026	**2025**
	(in US $ millions)	
Cash, cash equivalents and marketable securities (end of period)	**4,727**	**6,349**
Net cash provided by (used in):		
Operating activities[1]	1,957	1,308
Investing activities[1]	821	(536)
Financing activities	(2,449)	127
Effect of foreign exchange on cash and cash equivalents	(6)	17
Net increase in cash and cash equivalents	323	916
Decrease in marketable securities[2]	(1,374)	(46)
Net (decrease) increase in cash, cash equivalents and marketable securities	**(1,051)**	**870**

[1] Starting in April 2026, the cash flows associated with merchant cash advances are presented within investing cash flows on a basis consistent with loans, given the similar nature of the underlying lending activities.

[2] Excludes $524 million and $676 million of marketable securities classified in "Long-term Investments" as of September 30, 2026 and 2025, respectively.

Changes in Merchant Cash Advances

In 2025, Canada amended regulations that impacted merchant cash advance products. As a result, we transitioned our Shopify Capital product in Canada, from merchant cash advances to loans which are accounted for under ASC 310, starting in April 2026.

Prompted by this transition, and concurrent with this product change for Canada, the cash flows associated with merchant cash advances are presented within investing cash flows on a basis consistent with loans, given the similar nature of the underlying lending activities. For the three months ended September 30, 2026, the changes described above resulted in a net cash use of $30 million presented in Investing activities after consideration of repayments and purchases and originations.

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 cash flows from our subscription solutions with subscription revenues. 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, employee-related expenditures, marketing programs and outsourced hosting costs.

For the nine months ended September 30, 2026, net cash provided by operating activities was primarily the result of operating income, once adjusted for non-cash items and by changes in working capital resulting in a source of cash.

Cash Flows From Investing Activities

Net cash provided by investing activities in the nine months ended September 30, 2026 was driven by $1.9 billion in maturities of marketable securities, net of purchases, partially offset by $702 million used for purchases and originations of loans and merchant cash advances, net of repayments and sales, $217 million used to purchase equity and other investments, $99 million used for the acquisition of intangible assets and $11 million used to purchase property and equipment.

Cash Flows From Financing Activities

Net cash used in financing activities in the nine months ended September 30, 2026 was driven by $2.5 billion used for repurchases of Class A subordinate voting shares, offset by $24 million proceeds from the issuance of Class A subordinate voting shares and Class B restricted voting shares as a result of stock options exercises.

Contractual Obligations

Our principal commitments consist of our unconditional purchase obligations and obligations under our operating leases for office space. There have been no significant changes to our principal commitments, as compared to the principal commitments described in our 2025 Form 10-K.

Off-Balance Sheet Arrangements

We retain a guarantee with respect to certain assigned leases. We have also entered into an indemnification agreement that governs the liability obligations of the purchaser in connection with these guarantees. These arrangements, and our obligations arising from such arrangements, are not expected to have a material impact on the current or future financial performance or financial condition of the Company.

Litigation and Loss Contingencies

We are not aware of any litigation matters or loss contingencies that would be expected to have a material adverse effect on the business, condensed consolidated financial position, results of operations or cash flows.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. Predicting future events is inherently an imprecise activity and, as such, requires the use of significant judgment. Actual results may vary from our estimates in amounts that may be material to the financial statements. An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different, applies estimates that reasonably could have been used or changes in the accounting estimates that are reasonably likely to occur periodically, which could materially impact our condensed consolidated financial statements.

Our critical accounting policies, estimates, and judgments are discussed in Part II — Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our 2025 Form 10-K as well as "Note 3 - Significant Accounting Policies" in the notes to the condensed consolidated financial statements included in Part I — Item 1 of this Quarterly Report on Form 10-Q.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks, as discussed in "Note 3 - Significant Accounting Policies" in our condensed consolidated financial statements and the accompanying notes for the fiscal quarter ended September 30, 2026, as well as in our audited consolidated financial statements and the accompanying notes for the fiscal year ended December 31, 2025. These risks primarily include foreign currency exchange risk, equity and other investments risk, interest rate risk, concentration of credit risk and inflation risk, as discussed below. We regularly assess these risks to minimize any adverse effects on our business as a result of those factors.

Foreign Currency Exchange Risk

While the majority of our revenues, cost of revenues and operating expenses are denominated in USD, a significant portion are denominated in foreign currencies. Due to offering Shopify Payments, Shopify Capital, subscriptions and other billings to select countries in local currency, a significant proportion of revenue transactions are denominated in EUR, GBP, CAD and AUD. A significant proportion of operating expenses are also incurred in the aforementioned foreign currencies. We therefore are subject to foreign currency exchange risk related to these currencies and fluctuations in foreign currency exchange rates. To help mitigate the impacts associated with foreign currency fluctuations on future cash flows from operating expenses, we maintain a portfolio of foreign exchange derivative products designated as hedging instruments.

Effect of Foreign Exchange Rates

The following non-GAAP financial measures convert our revenues, cost of revenues, operating expenses and income from operations in the current reporting period using the comparative prior year period's monthly average exchange rates:

	Three months ended September 30,			
	2026			2025
	GAAP Amounts as Reported	Exchange Rate Effect[1]	At Prior Period Effective Rates[2]	GAAP Amounts as Reported
	(in US $ millions)			
Revenues	3,742	4	3,746	2,844
Cost of revenues	(1,961)	(3)	(1,964)	(1,453)
Operating expenses	(1,213)	(3)	(1,216)	(1,048)
Income from operations	568	(2)	566	343

	Nine months ended September 30,			
	2026			2025
	GAAP Amounts as Reported	Exchange Rate Effect[1]	At Prior Period Effective Rates[2]	GAAP Amounts as Reported
	(in US $ millions)			
Revenues	10,495	(66)	10,429	7,884
Cost of revenues	(5,460)	23	(5,437)	(4,022)
Operating expenses	(3,597)	9	(3,588)	(3,025)
Income from operations	1,438	(34)	1,404	837

[1] Represents the increase or decrease in GAAP amounts reported resulting from using the comparative period's effective foreign exchange rates. The exchange rate effect is primarily driven by fluctuations in EUR, AUD, CAD, and GBP foreign exchange rates.

[2] Represents the outcome that would have resulted if the comparative period's effective foreign exchange rates are applied to the current reporting period.

This effect of foreign exchange rates on our condensed consolidated statements of operations and comprehensive income disclosure is a supplement to our condensed 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 foreign exchange rates 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.

The following table summarizes the effects on revenues, cost of revenues, operating expenses and income from operations of a 10% strengthening of all foreign currencies the Company transacts in 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 fluctuations in exchange rates:

	Nine months ended September 30,					
	2026			2025		
	GAAP Amounts As Reported	Exchange Rate Effect[1][2]	At 10% Stronger Rates[3]	GAAP Amounts As Reported	Exchange Rate Effect[1][2]	At 10% Stronger Rates[3]
	(in US $ millions)					
Revenues	10,495	254	10,749	7,884	181	8,065
Cost of revenues	(5,460)	(113)	(5,573)	(4,022)	(83)	(4,105)
Operating expenses	(3,597)	(86)	(3,683)	(3,025)	(83)	(3,108)
Income from operations	1,438	55	1,493	837	15	852

[1] A 10% weakening of the foreign currencies versus the USD would have an equal and opposite impact on the Company's 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 foreign exchange rates relative to the USD.

[3] Represents the outcome that would have resulted had the foreign exchange rates relative to the USD 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 exchange rates.

Equity and Other Investments Risk

We hold equity and other investments that are subject to market-related risks that could substantially reduce or increase the fair value of our holdings. As of September 30, 2026, we had equity and other investments in public and private companies and our equity method investment totaled $5.4 billion. Our equity and other investments with readily determinable fair values, representing $2.6 billion of our investments as of September 30, 2026, are recorded at fair value, which is subject to market price volatility. Our equity investments in private companies, representing $1.7 billion of our investments as of September 30, 2026, are recorded using the measurement alternative and are assessed each reporting period for observable price changes and impairments, which may involve estimates and judgments given the lack of readily available market data. Certain equity investments in private companies are in the early stages of development and are inherently risky due to their lack of operational history. Our equity method investment in Flexport, representing $538 million of our investments as of September 30, 2026, is subject to market-related risks based on our share of income or loss, including amortization of the basis difference, from this investment which may cause volatility to our earnings. Our debt investments in convertible notes of private companies are recorded at fair value representing $599 million of our investments as of September 30, 2026, which are impacted by the underlying entities' valuations and interest rates. Our investment option derivative to purchase Series B common shares in Klaviyo, representing $10 million of our investments as of September 30, 2026, is impacted by market price volatility and interest rates.

Our marketable securities greater than one year, and less than 3 years, representing $524 million of our investments as of September 30, 2026, are recorded at carrying value and any changes in the fair value due to the interest rate are not recorded until the investment is sold as they are classified as "held to maturity".

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.

Interest Rate Risk

We had cash, cash equivalents and marketable securities in our cash management program totaling $4.7 billion as of September 30, 2026. 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 and macroeconomic conditions. 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.

The Company holds convertible notes in private companies. These investments are classified as available-for-sale debt securities, for which we have elected to account for under the fair value option. These investments are carried at fair value at each balance sheet date and any movements in the fair value are recognized in "Net income" in the condensed consolidated statements of operations and comprehensive income. The underlying entity's valuation includes inputs such as interest rates which impact the market value of the investment.

Concentration of Credit Risk

The Company's cash and cash equivalents, marketable securities, trade and other receivables, loans, merchant cash advances and foreign exchange derivative instruments 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. We limit the amount of credit exposure with any one financial institution and conduct timely evaluations of the credit worthiness of these financial institutions. 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 particular concentration of credit risk related to the Company's trade and other receivables, loans receivable and merchant cash advances. Trade and other receivables, loans receivable and merchant cash advances are monitored on an ongoing basis to ensure timely collection of amounts. There are no receivables from individual merchants accounting for 10% or more of revenues or receivables.

Inflation Risk

We are subject to inflation risk that could have 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. Furthermore, our merchants are also subject to risks associated with inflationary pressures that could impact their business and financial condition. These pressures could subsequently result in impacts to our GMV and further affect our business, particularly if economic growth has slowed across many of the regions in which we operate.

Item 4: Controls and Procedures

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.

Evaluation of disclosure controls and procedures

Management of the Company, under the supervision of the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining disclosure controls and procedures (as defined by the SEC) in Rule 13a-15(e) under the Exchange Act for the Company to ensure that material information relating to the Company, including its consolidated subsidiaries, that is required to be made known to the Chief Executive Officer and Chief Financial Officer by others within the Company and disclosed by

the Company in reports filed or submitted by it under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms; and (ii) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management, including the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company's disclosure controls and procedures and have concluded that the Company's disclosure controls and procedures were effective as of September 30, 2026.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) identified in connection with the evaluation required by Exchange Act Rules 13a-15(d) or 15d-15(d) that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1: Legal Proceedings

The information set forth under "Note 9 - Contingencies — Litigation and Loss Contingencies" to the condensed consolidated financial statements included in Part I — Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A: Risk Factors

We are subject to various risks and uncertainties that may affect our business, results of operations and financial condition including, not limited to, those described in Part I — Item 1A "Risk Factors" in the Company's 2025 Form 10-K. Current global economic and geopolitical events and conditions may amplify many of these risks. These risks are not the only risks that may affect us. Additional risks that we are not aware of or do not believe are material at the time of this filing may also become important factors that adversely affect our business. There have been no material changes to the Company's risk factors from those disclosed in the 2025 Form 10-K.

Item 2: Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Share repurchase activity for the three months ended September 30, 2026 was as follows:

Period Ended	Total Number of Shares Purchased	Average Price Paid per Share[2]	Total Number of Shares Purchased as Part of Publicly Announced Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Programs[1]
	(in US $ millions, except share and share price amounts)			
July 31, 2026	2,938,885	$ 122.13	2,938,885	$ 2,708
August 31, 2026	671,001	$ 139.14	671,001	$ 2,615
September 30, 2026	675,962	$ 134.50	675,962	$ 2,524
	4,285,848		4,285,848	

[1] In the first quarter of 2026, the Company's Board of Directors authorized a share repurchase program of up to $2 billion of the Company's outstanding Class A subordinate voting shares. The share repurchase program went into effect on February 17, 2026, has no fixed expiration date, and may be amended, suspended, or discontinued at any time, subject to applicable laws.

In the second quarter of 2026, the Company's Board of Directors authorized an additional $3 billion of the Company's outstanding Class A subordinate voting shares, in addition to the $2 billion previously authorized, bringing its aggregate repurchase authorization to $5 billion.

Repurchases may be made through open-market purchases on the Nasdaq, privately negotiated transactions including block trades, or other means, in each case in compliance with applicable securities laws. The timing, number, and value of any Class A subordinate voting shares repurchased will depend on a variety of factors, including price, general business and market conditions, applicable legal requirements, and alternative investment opportunities. In accordance with applicable securities laws, the maximum number of Class A subordinate voting shares repurchased will not exceed 5% of Shopify's issued and outstanding Class A subordinate voting shares.

During the three months ended September 30, 2026, we repurchased $543 million of our Class A subordinate voting shares under our share repurchase program. As of September 30, 2026, a total of $2.5 billion remained available for future repurchases of our Class A subordinate voting shares.

[2] Excludes broker commissions and excise tax estimates.

Item 3: Defaults Upon Senior Securities

Not applicable.

Item 4: Mine Safety Disclosures

Not applicable.

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Item 5: Other Information

None.

Item 6: Exhibits

Index to Exhibits

No.	Exhibit Description	Filed or Furnished with this 10-Q	Incorporated by Reference			
			Form	File No.	Exhibit	Date Filed
31.1	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1*	Certification of the Chief Executive Officer and the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income, (iii) Condensed Consolidated Statements of Changes in Shareholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags	X				
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2026, formatted in Inline XBRL	X				

* These certifications are not deemed filed by the SEC and are not to be incorporated by reference in any filing we make under the Securities Act of 1933 or the Securities Exchange Act of 1934, irrespective of any general incorporation language in any filings.

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.

November 3, 2026

Shopify Inc.

/S/ Jeff Hoffmeister

Jeff Hoffmeister

Chief Financial Officer

(principal financial officer)