



**Condensed Consolidated
Financial Statements**
(unaudited)
March 31, 2016

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

	Note	As at	
		March 31, 2016	December 31, 2015
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	4	83,864	110,070
Marketable securities	4	105,600	80,103
Trade and other receivables		6,548	6,089
Other current assets		7,149	6,203
		203,161	202,465
Long term assets			
Property and equipment		34,558	33,048
Intangible assets		5,182	5,826
Goodwill		2,373	2,373
		42,113	41,247
Total assets		245,274	243,712
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		27,070	23,689
Current portion of deferred revenue		14,522	12,726
Current portion of lease incentives		935	822
		42,527	37,237
Long term liabilities			
Deferred revenue		777	661
Lease incentives		10,993	10,497
		11,770	11,158
Commitments and contingencies	6		
Shareholders' equity			
Common stock, unlimited Class A subordinate voting shares authorized, 63,814,554 and 56,877,089 issued and outstanding; unlimited Class B multiple voting shares authorized, 17,215,321 and 23,212,769 issued and outstanding	8	233,411	231,452
Additional paid-in capital		14,128	11,719
Accumulated other comprehensive income	4	221	—
Accumulated deficit		(56,783)	(47,854)
Total shareholders' equity		190,977	195,317
Total liabilities and shareholders' equity		245,274	243,712

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

Shopify Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(unaudited)

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

	Note	Three months ended	
		March 31, 2016	March 31, 2015
		\$	\$
Revenues			
Subscription solutions		38,706	22,352
Merchant solutions		34,016	14,996
		<u>72,722</u>	<u>37,348</u>
Cost of revenues			
Subscription solutions		8,232	5,033
Merchant solutions		25,219	10,749
		<u>33,451</u>	<u>15,782</u>
Gross profit		<u>39,271</u>	<u>21,566</u>
Operating expenses			
Sales and marketing		28,008	13,540
Research and development		13,670	7,313
General and administrative		7,305	4,189
Total operating expenses		<u>48,983</u>	<u>25,042</u>
Loss from operations		<u>(9,712)</u>	<u>(3,476)</u>
Other income (expense)			
Interest income, net		203	11
Foreign exchange gain / (loss)		580	(1,065)
		<u>783</u>	<u>(1,054)</u>
Net loss		<u>(8,929)</u>	<u>(4,530)</u>
Other comprehensive income, net of tax			
Unrealized gain on foreign exchange	7	221	—
Comprehensive loss		<u>(8,708)</u>	<u>(4,530)</u>
Basic and diluted net loss per share attributable to shareholders	9	\$ (0.11)	\$ (0.12)
Weighted average shares used to compute basic and diluted net loss per share attributable to shareholders	9	80,488,495	39,344,619

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

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

	Convertible Preferred Shares		Common Stock		Additional Paid-In Capital \$	Accumulated Other Comprehensive Income \$	Accumulated Deficit \$	Total \$
	Shares	Amount \$	Shares	Amount \$				
As at December 31, 2014	27,159,277	87,056	39,310,446	4,055	5,685	—	(29,064)	67,732
Exercise of stock options	—	—	115,546	153	(98)	—	—	55
Stock-based compensation	—	—	—	—	1,403	—	—	1,403
Vesting of restricted shares	—	—	38,052	95	—	—	—	95
Other comprehensive income	—	—	—	—	—	—	—	—
Net loss for the period	—	—	—	—	—	—	(4,530)	(4,530)
As at March 31, 2015	27,159,277	87,056	39,464,044	4,303	6,990	—	(33,594)	64,755

	Convertible Preferred Shares		Common Stock		Additional Paid-In Capital \$	Accumulated Other Comprehensive Income \$	Accumulated Deficit \$	Total \$
	Shares	Amount \$	Shares	Amount \$				
As at December 31, 2015	—	—	80,089,858	231,452	11,719	—	(47,854)	195,317
Exercise of stock options	—	—	919,344	1,873	(1,029)	—	—	844
Stock-based compensation	—	—	—	—	3,438	—	—	3,438
Vesting of restricted shares	—	—	20,673	86	—	—	—	86
Other comprehensive income	—	—	—	—	—	221	—	221
Net loss for the period	—	—	—	—	—	—	(8,929)	(8,929)
As at March 31, 2016	—	—	81,029,875	233,411	14,128	221	(56,783)	190,977

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

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

	Note	Three months ended	
		March 31, 2016	March 31, 2015
		\$	\$
Cash flows from operating activities			
Net loss for the period		(8,929)	(4,530)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Amortization and depreciation		3,058	1,470
Stock-based compensation		3,374	1,345
Vesting of restricted shares		86	95
Unrealized foreign exchange (gain) / loss		(978)	1,191
Change in lease incentives		609	539
Change in deferred revenue		1,912	1,137
Changes in non-cash working capital items	10	1,523	2,719
Net cash provided by operating activities		655	3,966
Cash flows from investing activities			
Purchase of marketable securities		(46,439)	—
Maturity of marketable securities		20,700	4,696
Acquisitions of property and equipment		(2,715)	(2,524)
Acquisitions of intangible assets		(330)	(1,020)
Net cash (used in) provided by investing activities		(28,784)	1,152
Cash flows from financing activities			
Proceeds from the exercise of stock options		844	55
Net cash provided by financing activities		844	55
Effect of foreign exchange on cash and cash equivalents		1,079	(978)
Net increase (decrease) in cash and cash equivalents		(26,206)	4,195
Cash and cash equivalents – Beginning of Period		110,070	41,953
Cash and cash equivalents – End of Period		83,864	46,148
Supplemental non-cash items			
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The accompanying notes are an integral part of these condensed consolidated financial statements.

Shopify Inc.
Notes to the Condensed Consolidated Financial Statements
(unaudited)

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

1. Nature of Business

Shopify Inc. (“Shopify” or “the Company”) was incorporated as a Canadian corporation on September 28, 2004. The Company’s mission is to make commerce better for everyone. The Company provides the leading cloud-based, multi-channel commerce platform designed for small and medium-sized businesses. Using a single interface, the Company’s merchants can design, set up and manage their business across multiple sales channels, including web and mobile storefronts, social media storefronts and physical retail locations. The Company’s platform provides merchants with a single view of their business and customers across all of their sales channels and enables them to manage products and inventory, process orders and payments, ship orders, build customer relationships and leverage analytics and reporting. The Company’s platform is engineered to enterprise-level standards and functionality while designed for simplicity and ease-of-use.

The Company’s headquarters and principal place of business are in Ottawa, Canada.

Initial Public Offering

In May 2015, the Company completed its initial public offering, or IPO, in which it issued and sold 8,855,000 Class A subordinate voting shares at a public offering price of \$17.00 per share (including the 1,155,000 Class A subordinate voting shares purchased by the underwriters pursuant to the exercise of the over-allotment option). The Company received net proceeds of \$136,251 after deducting underwriting discounts and commissions of \$10,537 and other offering expenses of \$3,747. Immediately prior to consummation of the IPO, all of the then-outstanding common shares were redesignated as an aggregate of 39,780,952 Class B multiple voting shares, and upon consummation of the IPO, all of the then-outstanding convertible preferred stock automatically converted into an aggregate of 27,159,277 Class B multiple voting shares.

2. Basis of Presentation and Consolidation

These unaudited condensed consolidated financial statements include the accounts of the Company and its directly and indirectly wholly owned subsidiaries: Shopify Payments (Canada) Inc., incorporated in Canada; Shopify International Ltd., incorporated in Ireland; Shopify (Australia) Pty Ltd., incorporated in Australia; and the following United States subsidiaries each incorporated in Delaware: Shopify Payments (USA) Inc., Shopify Data Processing (USA) Inc., Shopify LLC and Shopify Holdings (USA) Inc. All intercompany accounts and transactions have been eliminated upon consolidation.

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

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position, results of operations and comprehensive loss, cash flows and changes in shareholders’ equity for the interim periods. The financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2015. The unaudited condensed consolidated balance sheet at December 31, 2015 was derived from the audited annual financial statements, but does not contain all of the footnote disclosures from the annual financial statements.

The results for the three months ended March 31, 2016 are not necessarily indicative of the results expected for the full fiscal year.

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3. Significant Accounting Policies

The unaudited condensed consolidated financial statements follow the same accounting policies as the most recent annual consolidated financial statements. New accounting policies adopted in the three months ended March 31, 2016 are discussed below.

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. Significant items that are subject to estimation and assumptions include: estimates related to contingencies and refundable tax credits; chargebacks on Shopify Payments transactions that are unrecoverable from merchants; recoverability of deferred tax assets; fair values of assets and liabilities acquired in business combinations; capitalization of software development costs; estimated useful lives of property and equipment and intangible assets; estimates relating to the recoverability of lease inducements; and assumptions used when employing the Black-Scholes valuation model to estimate the fair value of shares and stock-based awards. Actual results may differ from the estimates made by management.

Concentration of Credit Risk

The Company's cash and cash equivalents, marketable securities, trade and other receivables, and foreign exchange forward contracts 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 forward contracts only with large Canadian and United States banks and financial institutions that are considered to be highly credit worthy. Management mitigates the risks associated with marketable securities by complying with 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 receivables. Trade and other receivables 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.

Interest Rate Risk

Certain of the Company's cash equivalents and marketable securities earn interest. The Company's trade and other receivables, accounts payable and accrued liabilities and lease liabilities do not bear interest. The Company is not exposed to material interest rate risk.

Foreign Exchange Risk, Derivatives and Hedging

The Company's exposure to foreign exchange risk is primarily related to fluctuations between the Canadian dollar and the United States dollar. The Company is exposed to foreign exchange fluctuations on the revaluation of foreign currency assets and liabilities. The Company may use foreign exchange derivative products to manage the impact of foreign exchange fluctuations. By their nature, derivative financial instruments involve risk, including the credit risk related to non-performance by counter parties.

Cash Flow Hedges

The Company's foreign exchange forward contracts are designated as cash flow hedges consist of foreign currency forecasted revenue, cost of revenue and operating expenses. By their nature, derivative financial instruments involve risk, including the credit risk of non-performance by counter parties. The Company may hold foreign exchange forward contracts to mitigate the risk of future foreign exchange rate volatility related to future Canadian dollar denominated costs and current and future obligations.

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Our foreign currency forward contracts generally have maturities of twelve months or less. The critical terms match is used when the key terms of the hedging instrument and that of the hedged item are aligned; therefore, the changes in fair value of the forward contracts are recorded in accumulated other comprehensive income ("AOCI"). The effective portion of the gain or loss on each forward contract is reported as a component of AOCI and reclassified into earnings to either revenue, cost of revenue, or operating expense in the same period, or periods during which the hedged transaction affects earnings. The ineffective portion of the gains or losses, if any, is recorded immediately in other income (expense), net.

For hedges that do not qualify for the critical terms match method of accounting, a formal assessment is performed to verify that derivatives used in hedging transactions continue to be highly effective in offsetting the changes in fair value or cash flows of the hedged item. Hedge accounting is discontinued if a derivative ceases to be highly effective, matures, is terminated or sold, if a hedged forecasted transaction is no longer probable of occurring, or if the Company removes the derivative's hedge designation. For discontinued cash flow hedges, the accumulated gain or loss on the derivative remains in AOCI and is reclassified into earnings in the period in which the previously hedged forecasted transaction impacts earnings or is no longer probable of occurring.

In addition, the Company has a master netting agreement with each of our counterparties, which permits net settlement of multiple, separate derivative contracts with a single payment. The Company has elected to present its derivative instruments on a net basis in the consolidated financial statements.

Accounting Pronouncements Adopted in the Quarter

In May 2015, the Financial Accounting Standards Board issued ASU 2015-07, "Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)", which amends ASC 820, Fair Value Measurement. The standard removes the requirement to categorize within the fair value hierarchy investments for which fair value is measured using the net asset value per share practical expedient and removes certain related disclosure requirements. The amendment is effective for interim and annual periods beginning after December 15, 2015. The adoption of this standard eliminated the requirement to disclose investments measured at Net Asset Value per Share in the fair value hierarchy table.

Recent Accounting Pronouncements Not Yet Adopted

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2014-9 "Revenue from Contracts with Customers." The new accounting standards update requires an entity to apply a five step model to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, as well as a cohesive set of disclosure requirements that would result in an entity providing comprehensive information about the nature, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers. In August 2015 the Financial Accounting Standards Board issued ASU No. 2015-14, which deferred the effective date for all entities by one year. The standard becomes effective for reporting periods beginning after December 15, 2017. Early adoption is permitted starting January 1, 2017. In March 2016, the Financial Accounting Standards Board issued ASU No. 2016-08, "Revenue from Contracts with Customers (Topic 606), Principal versus Agent Considerations (Reporting Revenue Gross versus Net)", updating the implementation guidance on principal versus agent considerations in the new revenue recognition standard. This standard clarifies that an entity is a principal if it controls the specified good or service before that good or service is transferred to a customer. The standard also includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customer. This standard has the same effective date as ASU 2014-09. The Company is currently assessing the impact of these standards.

In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, "Leases", which requires a lessee to record a right-of-use asset and a corresponding lease liability, initially measured at the present value of the lease payments, on the balance sheet for all leases with terms longer than 12 months, as

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well as the disclosure of key information about leasing arrangements. The standard requires recognition in the statement of operations of a single lease cost, calculated so that the cost of the lease is allocated over the lease term, generally on a straight-line basis. This standard also requires classification of all cash payments within operating activities in the statement of cash flows. A modified retrospective transition approach is required for operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The standard is effective for annual periods beginning after December 15, 2018. Early adoption is permitted. The Company is currently assessing the impact of this standard.

In March 2016, the Financial Accounting Standards Board issued ASU No. 2016-09 "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting", which simplifies the accounting for stock based compensation, including forfeitures and the classification of employee taxes paid on the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2016. The Company is currently assessing the impact of this standard.

4. Financial Instruments

As of March 31, 2016, the Company's financial instruments, measured at fair value on a recurring basis, were as follows:

	Amount at Fair Value \$	Fair Value Measurements Using		
		Level 1 \$	Level 2 \$	Level 3 \$
Assets:				
Cash equivalents:				
U.S. term deposits	1,250	1,250	—	—
Marketable securities:				
U.S. federal bonds	43,407	43,407	—	—
Corporate bonds	62,181	—	62,181	—
Derivatives:				
Foreign exchange forward contracts	221	—	221	—

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

As of December 31, 2015, the Company's financial instruments, measured at fair value on a recurring basis, were as follows:

	Amount at Fair Value \$	Fair Value Measurements Using		
		Level 1 \$	Level 2 \$	Level 3 \$
Assets:				
Cash equivalents:				
U.S. term deposits	21,259	21,259	—	—
Marketable securities:				
U.S. federal bonds	35,970	35,970	—	—
Corporate bonds	44,028	—	44,028	—
Derivatives:				
Foreign exchange forward contracts	—	—	—	—

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As at March 31, 2016 the Company held foreign exchange forward contracts to convert USD into CAD to fund a portion of its operations. The fair value of foreign exchange forward contracts and corporate bonds was based upon Level 2 inputs, which included period-end mid-market quotations for each underlying contract as calculated by the financial institution with which the Company has transacted. The quotations are based on bid/ask quotations and represent the discounted future settlement amounts based on current market rates. There were no transfers between Levels 1, 2 and 3 during the three months ended March 31, 2016. As at December 31, 2015 the Company did not hold any foreign exchange forward contracts.

Derivative Instruments and Hedging

In March 2016, the Company implemented a hedging program to mitigate the impact of foreign currency fluctuations on future cash flows and earnings. The Company entered into foreign exchange forward contracts with certain financial institutions and designated those hedges as cash flow hedges. As of March 31, 2016, \$221 of unrealized gains related to the effective portion of changes in the fair value of foreign exchange forward contracts designated as cash flow hedges were included in accumulated other comprehensive income and other current assets on the balance sheet. The Company expects to reclassify \$221 from accumulated other comprehensive loss into earnings over the next twelve months associated with its cash flow hedges. In the period ended March 31, 2016, \$330 of realized gains related to the maturity of foreign exchange forward contracts designated as cash flow hedges were included in operating expenses. Under the current hedging program, the Company is hedging payroll and facilities costs.

The Company's foreign exchange forward contracts had a total notional value of \$44,463 as of March 31, 2016 and have maturities of nine months or less. There were no derivative assets or liabilities on the Company's consolidated balance sheet as of December 31, 2015.

All derivatives have been designated as hedging instruments. There were no gains or losses on derivative instruments for the three months ended March 31, 2015.

5. Credit Facilities

In March 2015, the Company entered into a credit facility with Silicon Valley Bank, which provides for a \$25,000 revolving line of credit bearing interest at the U.S. prime rate, as published by the Wall Street Journal plus or minus 25 basis points per annum. As at March 31, 2016 the effective rate was 3.25%. The credit facility was renewed on March 11, 2016, has a maturity date of March 10, 2017, and is collateralized by substantially all of the Company's assets, including the stock of its subsidiaries named in the agreement as guarantors, but excluding the Company's intellectual property, which is subject to a negative pledge. As of March 31, 2016, no amounts have been drawn under this credit facility and the Company is in compliance with all of the covenants contained therein.

6. Commitments and Contingencies

Operating Leases

The Company leases space for its offices in Ottawa, Toronto and Kitchener-Waterloo, Ontario, Canada and Montreal, Quebec, Canada. In the three months ended March 31, 2016 and 2015, rent expense totalled \$1,853 and \$1,285, respectively.

Amounts of minimum future annual rental payments under non-cancellable operating leases in each of the next five years and thereafter are as follows:

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Fiscal Year	Amount \$
Remainder of 2016	5,246
2017	9,361
2018	9,457
2019	12,844
2020	12,973
Thereafter	82,290
Total future minimum lease payments	132,171

7. Changes in Accumulated Other Comprehensive Loss

The following table summarizes the changes in accumulated other comprehensive loss, which is reported as a component of shareholders' equity, for the three months ended March 31, 2016:

	Gains and Losses on Cash Flow Hedges \$
Beginning balance, at January 1, 2016	—
Other comprehensive income before reclassifications	551
Amounts reclassified from accumulated other comprehensive income	(330)
Net current-period other comprehensive income	221
Ending balance, March 31, 2016	221

8. Shareholders' Equity

Convertible Preferred Shares

Upon the completion of the Company's IPO, all of the then outstanding convertible preferred shares were converted into 27,159,277 Class B multiple voting shares.

Common Stock Authorized

Immediately prior to the completion of the Company's IPO, all of the then outstanding 39,780,952 common shares were redesignated as Class B multiple voting shares. The Company is authorized to issue an unlimited number of Class A subordinate voting shares and an unlimited number of Class B multiple voting shares. The Class A subordinate voting shares have one vote per share and the Class B multiple voting shares have 10 votes per share.

Preferred Shares

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

Stock-Based Compensation

As at March 31, 2016 there were 5,600,723 shares reserved for issuance under the Company's Stock Option Plan and LTIP.

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The following table summarizes the stock option and RSU award activities under the Company's share-based compensation plans for the three months ended March 31, 2016:

	Shares Subject to Options Outstanding				Outstanding RSUs		
	Number of Options ⁽¹⁾	Weighted Average Exercise Price \$	Remaining Contractual Term (in years)	Aggregate Intrinsic Value ⁽²⁾ \$	Weighted Average Grant Date Fair Value \$	Outstanding RSUs	Weighted Average Grant Date Fair Value \$
December 31, 2015	11,204,026	3.65	6.99	248,119	—	428,566	32.19
Stock options granted	551,105	22.44	—	—	—	—	—
Stock options exercised	(919,344)	0.92	—	—	—	—	—
Stock options forfeited	(123,937)	12.42	—	—	—	—	—
RSUs granted	—	—	—	—	—	762,834	22.42
RSUs settled	—	—	—	—	—	—	—
RSUs forfeited	—	—	—	—	—	(16,646)	30.04
March 31, 2016	10,711,850	4.76	6.94	251,193	—	1,174,754	25.89
Stock options exercisable as of March 31, 2016	6,551,527	1.07	5.90	177,808			

(1) As at March 31, 2016 9,524,120 of the outstanding stock options were granted under the Company's Legacy Option Plan and are exercisable for Class B multiple voting shares, and 1,187,730 of the outstanding stock options were granted under the Company's Stock Option Plan and are exercisable for Class A subordinate voting shares.

(2) The aggregate intrinsic value is calculated as the difference between the closing market price and exercise price on March 31, 2016 and December 31, 2015.

The following table illustrates the classification of stock-based compensation in the Consolidated Statements of Operations and Comprehensive Loss, which includes both stock-based compensation and restricted share-based compensation expense.

	Three months ended	
	March 31, 2016	March 31, 2015
	\$	\$
Cost of revenues	105	59
Sales and marketing	564	174
Research and development	2,030	779
General and administrative	761	428
	3,460	1,440

9. Earnings per Share

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

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

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	Three months ended	
	March 31, 2016	March 31, 2015
Basic and diluted weighted average number of shares outstanding	80,488,495	39,344,619
The following items have been excluded from the diluted weighted average number of shares outstanding because they are anti-dilutive:		
Stock options	10,711,850	15,245,654
Restricted share units	1,174,754	—
Restricted shares	27,565	110,262
Convertible preferred shares	—	27,159,277
	<u>11,914,169</u>	<u>42,515,193</u>

In the three months ended March 31, 2016 and 2015, the Company was in a loss position and therefore diluted loss per share is equal to basic loss per share.

10. Supplemental Cash Flow Information Items

The following table presents the changes in non-cash working capital items.

	Three months ended	
	March 31, 2016	March 31, 2015
	\$	\$
Trade and other receivables	(53)	1,538
Other current assets	(725)	(1,982)
Accounts payable and accrued liabilities	2,301	3,163
	<u>1,523</u>	<u>2,719</u>

The following table provides supplemental disclosure of non-cash investing and financing activities.

	Three months ended	
	March 31, 2016	March 31, 2015
	\$	\$
Acquired property and equipment remaining unpaid	1,690	1,372
Acquired intangibles assets remaining unpaid	—	141
Capitalized stock-based compensation	64	58

11. Comparative Figures

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

12. Subsequent Events

On April 18, 2016, the Company completed the acquisition of Kit CRM Inc. ("Kit"), a virtual marketing assistant that leverages messaging to help businesses market their online stores. The acquisition will bolster the Company's focus on the growing trend towards "conversational commerce," paving the way for mobile and messaging platforms to help merchants run their businesses. The Company acquired 100 percent of the

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outstanding shares of Kit in exchange for purchase consideration of \$8,000 in cash. The acquisition will be accounted for as a business combination.